

|           |                  |                     |      |
|-----------|------------------|---------------------|------|
| Austria   | 8200 Iron        | 8200 Potash         | 8200 |
| Belgium   | 8200 Israel      | 8200 Polymers       | 8200 |
| Belgium   | 8200 Italy       | 8200 Poland         | 8200 |
| Croatia   | 8200 Jordan      | 8200 Portugal       | 8200 |
| Croatia   | 8200 Kenya       | 8200 Portugal       | 8200 |
| Egypt     | 8200 Kuwait      | 8200 Saudi Arabia   | 8200 |
| Finland   | 8200 Lebanon     | 8200 Singapore      | 8200 |
| France    | 8200 Libya       | 8200 Spain          | 8200 |
| Germany   | 8200 Malta       | 8200 Sweden         | 8200 |
| Greece    | 8200 Morocco     | 8200 Switzerland    | 8200 |
| Hungary   | 8200 Netherlands | 8200 Turkey         | 8200 |
| Iceland   | 8200 Nigeria     | 8200 United Kingdom | 8200 |
| Iceland   | 8200 Norway      | 8200 United States  | 8200 |
| Indonesia | 8200 Oman        | 8200 UAE            | 8200 |

FT No. 31,438  
THE FINANCIAL TIMES LIMITED 1991

EUROPE'S BUSINESS NEWSPAPER

# FINANCIAL TIMES

Friday April 26 1991

AIR TRAFFIC  
Voice and radar  
out on cassette

Page 12

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## World News

### WHO forms task force to fight cholera epidemic

The World Health Organisation (WHO) launched a global task force to counter a massive outbreak of cholera in Latin America which, WHO said, threatened up to 100 million people. There have been 177,000 new cases of the disease this year.

#### Ethiopian claim

Ethiopian rebels said they had captured Amba, 105km west of the capital Addis Ababa, and were pushing on to "Inish" the government of President Mengistu Haile Mariam.

#### Two FT journalists killed in Kuwait

Two Financial Times' journalists, David Thomas, National Resources Editor, and Alice Harmer, Staff Photographer, died on Wednesday when their car was engulfed by flames in the oilfields of Kuwait.

Three people travelling in two trucks also died in the accident on the road from the Burgan oilfield to Al-Ahmed. The road runs through fiercely blazing oil wells lit by retreating Iraqi troops.

The two journalists were part of an FT team working on an important project covering reconstruction of Kuwait after the Iraq invasion.

Richard Lambert, the Editor, said: "David and Alice were in the finest traditions of FT journalists, full of integrity, commitment and flair. This is a terrible loss for their families and friends, and for the newspaper." Obituaries, Page 11; Thomas on nuclear energy, Page 19; Harper picture, Page 20

#### Pollution scandal

South Korean President Roh Tae-woo fired his environment minister Kwon Hwi-yuk over a tap water pollution scandal that affected millions of homes.

#### Polish boss quits

Wieslaw Panter, chief executive of the Krosno Glass Factory, one of Poland's first private companies, resigned after his company's shares tared badly during the opening two sessions of Warsaw's stock market.

#### Athens expels 200

Greece is to expel about 200 Palestinians next week. The decision follows a bomb blast in which seven people died, including a Palestinian student carrying the explosives.

#### Gas leak kills 5

Five people were killed by a gas leak at a drug plant in India and three people, including the factory owner, were charged with negligence.

#### Egypt buys F-16s

Egypt is to buy 46 Turkish-made F-16 fighters worth about \$1.3bn, financed through US military loans. Page 6

#### Cars blown up

Six cars parked near a Tokyo military base exploded into flames in an apparent protest against Japan's decision to send six minesweepers to the Gulf. Page 4

## Weekend FT

Tomorrow: two years after Tiananmen, China is still suffering

Why Bordeaux's wine lake is overflowing

## Business Summary

### Brussels warns of cartel crackdown

European Commission warned of a crackdown on cartels following this week's raids on the offices of 15 carton-board-making companies. "We're getting tougher all the time," said a senior EC official, adding that it was a priority of Sir Leon Brittan, the competition commissioner, that "we should be on the lookout for cartel activities". Page 20

FORD, US carmaker, is planning to cut around 2,500 jobs or 12 per cent of its salaried workforce in Europe over the next three years. Page 11

MITSUBISHI Motors and Volvo of Sweden are expected to announce shortly a preliminary agreement which could lead to the Japanese car maker taking a substantial minority stake in Volvo Car BV, the Dutch producer. Page 21

HDTV: efforts to achieve a common European approach to introducing high-definition television are close to completion. Page 20

UK ECONOMY: more than half of the Treasury's £3bn (\$5.1bn) public spending contingency reserve has been wiped out within just three weeks of the start of the current financial year. Page 20

MARKETS: Dow Jones Industrial Average was down 1.73 to 2,947.77 at 130pm. Frankfurt DAX index closed 16.72 higher at 1,620.45. Markets, Section II

DOLLAR: At the finish in London it had fallen to DM1.7470 from DM1.7535, to Y138.00 from

SF1.4718, and to FF1.4600 from FF1.4925. Its index rose by 6.7 from 66.5. STERLING: At the close of London trading it eased slightly to \$1.6940 from \$1.6945 and also fell to

DM2.9600 from DM2.9725; to FF1.9775 from FF1.9775; to SF1.4075; and to SF1.4265 from SF1.4265; to Y233.75 from Y234.00. Page 20; Currencies, Page 44

SIEMENS, German electronics group, and GPT, the largest UK telecommunications manufacturer, have agreed to merge their UK distribution companies for computerised switchboards. Page 21

UNISYS, struggling US computer company, reported continuing heavy losses for its first-quarter. Page 21

NORSK HYDRO, Norway's biggest company, reported lower first-quarter pre-tax profits of NKR1.060bn (\$1.56m) against NKR1.624m a year earlier. Page 22

ADIA, Swiss-based international employment and services group, disclosed a 43 per cent fall to SF11.15m (\$78m) in net consolidated earnings in 1990. Page 23

COMPAC Computer's stock price dropped sharply in early trading when the company said second-quarter earnings were expected to be below those of the same period last year. Page 22

ALCAN Aluminum warned that it would be forced to recompute its 1991 capital spending of C\$600m (\$775m) and its dividend policy if the global recession continued and aluminum demand remained stagnant. Page 22

Delegates in Geneva yesterday approved a proposal by Mr Rubens Ricupero, Gatt chairman, that the 15 subjects which had been under separate negotiation in the Round be concentrated into seven groups under different moderators.

But their hope depends on two crucial developments occurring outside the forum for the talks in Geneva:

• The US Congress has to agree by the end of May to the continuation of President George Bush's "fast-track" authority to negotiate trade agreements;

• The European Community has to give within the next four months what one negotiator called "an unmistakable signal" of its readiness to go further than it has done so far in negotiating the reform of world farm trade.

Agriculture was the issue which brought about the collapse of the meeting of world trade ministers at Brussels in December, which was to have concluded the four-year Ur-

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Mr Arthur Dunkel, Gatt director-general, will lead the agricultural talks and also chair the group handling textiles and clothing.

Mr Germain Denis, Canada's assistant deputy minister for international trade affairs, will take charge of the market access group which will negotiate reductions in tariffs and non-tariff barriers and the lowering of obstacles to trade in tropical goods and in products based on natural resources.

Negotiations on a Gatt agreement to protect intellectual property rights remain under the guidance of Mr Lars Anell, Sweden's ambassador to Gatt.

Talks aimed at reaching rules governing foreign investment are being incorporated

Pavlov says he may include other groups in his government

### Soviet PM's offer steps up momentum towards compromise

By John Lloyd in Moscow

MR Valentin Pavlov, the Soviet prime minister, said yesterday he was prepared to include in his government representatives of "other movements" in an effort to broaden its social base.

Mr Pavlov's offer, at a plenary session of the Communist party's central committee, remained vague but appeared to continue the momentum towards compromise

main coalfields and in Belarus.

A token one-hour strike at the end of the working day, called by the democratic Russian movement and the Federation of Independent Trade Unions, is to go ahead today.

Strikers in Minsk, the Belarusian capital, held a mass meeting in the city centre to demand an emergency session of the republic's Supreme Soviet - a demand which has so far been refused.

Pro-democracy strikers in the city of Orsha were reportedly still blocking the town's railway station and threatening to block the transit of imports from the west.

In Leningrad, there were threatened strikes both of metro construction workers and those at the Kirov plant - while Soviet air traffic controllers have threatened stoppages from May 21 if their demands for a trebling of pay and part-payment in hard currency are not met.

Mr Yeltsin's supporters and the strike leaders were expressing doubt and surprise yesterday over the agreement. Mr Alexander Aslanidze, a leader of the Kuzbass miners, said that "we are awaiting full clarification of the agreement. Let the man who signed it [Yeltsin] explain it. Why should we stop political strikes when there is no political dialogue?"

Mr Ponomaryov, a co-chairman of Democratic Russia, said: "There are phrases in the agreement I dislike very much, citing as an example the call for an end to strikes. However, he said the agreement to hold elections for the Supreme Soviet by the end of the year is 'to a certain extent a fulfilment of the political demands of the miners.'

Mr Lev Ponomaryov, a leader of the Social Democratic movement in the Russian parliament, said: "I think it is a tactical victory for Gorbachev but I am not sure Yeltsin fully understands all the consequences. Some of his [Yeltsin's] supporters are even talking of putting forward another candidate for Russian president."

Mr Pavlov's offer, however, by holding open the prospect of a more broadly based government - called for by both Mr Yeltsin and Mr Gorbachev - could deprive the radicals of a significant plank in their criticism of the Soviet government and presidency.

The impression of a government searching for compromise and agreement was strengthened last night when it emerged that Mr Nikolai Petakov, the radical economist - and Mr Gorbachev's chief economic adviser until his resignation last year - had been called before the Central



Soviet president Mikhail Gorbachev: offer to step down

Committee plenum to explain his criticisms of the programme of measures introduced this week to combat the crisis.

Soviet paratroopers yesterday seized sports facilities and two small airstrips in Lithuania, according to the independent Lithuanian news agency Elita. The actions appeared to be a continuation of the pressure on the republic's government by the Soviet troops who had occupied a bank building on Wednesday.

About 2,300 US, British, French and Dutch troops have moved into northern Iraq after ordering Baghdad to remove two Iraqi army battalions from the frontier town. Baghdad complained about the order, eventually complied and then sent armed police - reportedly secret police - instead.

Mr Fitzwater said the zone to be cleared of the "intimidating presence" stretched for several miles around Zakho. He refused to cite a specific deadline "because we don't want to raise tensions higher than they might otherwise be."

The US, British and French ambassadors to the UN also presented a number of other demands to Mr al-Anbari relating to the Gulf war.

They referred to Iraq's failure to give a full list of its arsenal of weapons, to Kuwaiti complaints about Iraq's continued detention of Kuwaiti citizens and property, and to the lack of progress on demarcating the Iraq-Kuwait border.

### Bessmertnykh to make surprise Israel visit

By John Lloyd in Moscow and Hugh Carnegy in Jerusalem

A SURPRISE announcement of a visit to Israel next month by Mr Alexander Bessmertnykh, the Soviet foreign minister, may bring agreement on renewing full diplomatic relations cut by Moscow during the 1967 Six-Day War.

Mr Bessmertnykh made clear, following a meeting yesterday with Mr James Baker, US secretary of state, in the north Caucasian town of Kislovodsk, that the Soviet Union was poised to play a key role in the search for a Middle East peace settlement.

He said Moscow would give a "positive response" to the US proposal that it co-sponsor a regional Middle East peace

peace conference", in which both regional and world powers would participate.

The solution sought, he said, should suit the Palestinians and "not annoy anyone else". Mr Baker, who arrived in Israel last night for his second round of talks there in a week, said after the meeting with Mr Bessmertnykh that there was now a better chance than before of achieving a settlement in the region, although he added that there were still "considerable obstacles".

Israel has made it clear from the start it does not oppose Soviet co-sponsorship of a proposed regional peace conference. However, officials said

the government would continue to resist other features sought by Mr Baker - talks he is scheduled to hold in Jerusalem with Mr Yitzhak Shamir, prime minister, Mr David Levy, foreign minister, and Mr Moshe Arens, defence minister.

The two sides are at loggerheads over continued expansion of Jewish settlement in the occupied territories, which Mr Baker criticised sharply when in Syria earlier in the week. Mr Shamir has repeatedly refused to back down on the issue.

Mr Bessmertnykh also predicted that a compromise on the conventional forces in

### Gatt members in drive to end trade talks by end of the year

By William Dulforce in Geneva

MEMBER countries of the General Agreement on Tariffs and Trade (Gatt), including all the leading trading powers, yesterday agreed to reorganise the international trade talks in the hope that they could be concluded by the end of this year.

But their hope depends on two crucial developments occurring outside the forum for the talks in Geneva:

• The US Congress has to agree by the end of May to the continuation of President George Bush's "fast-track" authority to negotiate trade agreements;

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Talk

## EUROPEAN NEWS

# Hold the line on inflation, says Bundesbank

By Andrew Fisher in Frankfurt

**T**HE Bundesbank yesterday made a powerful appeal to western countries not to relax their vigilance against inflation and to reject the idea that more employment could be achieved through steeper price rises.

In its annual report, the German central bank said it was too early to sound the "all clear" on inflation. A lasting decline in interest rates could only occur on the basis of stable monetary policies.

Coming ahead of Sunday's Group of Seven meeting in Washington, the Bundesbank's statement reinforced its commitment to a tight monetary policy at a time of growing inflationary pressures. The bank is resisting US pressures to ease its policies.

Bundesbank officials have expressed concern about the level of domestic wage settlements - running at about 7 per cent - and the likely impact of tax rises on inflation. The bank built in a low price increase level of 2 per cent into its money supply goal for 1991, but economists now expect the consumer price index to be nearer 4 per cent by the year-end.

The Bundesbank did not say so in its report, but it has made clear it has no intention of lowering interest rates for some time. It last raised its discount and Lombard rates by half a point to 6.5 and 9 per cent respectively on January 31. Economists in Germany and abroad feel a further rise is possible later this year.

Although countries' different economic conditions provided



An old woman takes water from a well in Oparichini near Chernobyl. She is among 1,200 peasants who have returned to the desolate 30km zone where cows graze on contaminated grass and children are banned

## British team to help Chernobyl clean-up

By David Fishlock, Science Editor

A British industrial consortium has been invited to help the Soviet Union clean up radioactive contamination in rural areas. The Chernobyl nuclear reactor exploded five years ago today.

SAC Hitachi, part of the Ricardo engineering group, is heading a consortium which includes Ove Arup and AEA Technology, in a £500,000 pre-feasibility study of fallout in the Russian Federation, about 250km from Chernobyl.

It is the first phase of a four-phase programme involving about 110,000 people who may have to be moved to other areas because they are still

receiving too much radiation.

The problem is the radio-isotope caesium-137 in the nuclear fuel ejected in the explosion, and washed out by rain over large tracts of the Russia.

The fallout emits gamma rays and fine particles can contaminate people directly by its radiation, and by being ingested with food or breathed into the lungs.

SAC Hitachi has been negotiating with the Moscow authorities for over a year since the Russian Federation first revealed the extent of its fallout problem, said Mr Mark Ryan, project manager.

The engineers brought in the

AEA Technology's environment and energy activity at Harwell for its radiological expertise, and Ove Arup to help plan new accommodation and work for affected people.

The Russians are providing £100,000 in hard currency, but SAC Hitachi is adding a further £500,000 as an investment in what it believes could yield major engineering business for the UK, Mr Ryan said.

He plans a project office in Moscow alongside a Soviet team, with much of the local expense expected to be met in roubles.

The pre-feasibility study will take seven months or more

and help define what is currently seen as a £2m feasibility study. The main objective is to minimise disruption and improve "quality of life" for the affected Soviet citizens.

The complete programme could take as long as ten years, Mr Ryan said.

AEA Environment and Energy will be advising on ways to reduce the radiation dose to people, said Dr Alan Eggleston of Harwell. He said Soviet assessment of fallout in Russia had been fairly crude and the project's first step would be a comprehensive radiological assessment.

# Slovak PM falls victim to tide of economic reform

BEHIND this week's downfall of Mr Vladimir Meciar, the volatile and highly popular prime minister of Slovakia, lay deep-seated economic differences with Prague over the future of economic reforms.

Mr Meciar strongly opposed the radical free-market reforms of Mr Vaclav Klaus, the Czechoslovak finance minister. Slovakia, an agrarian backwater only 40 years ago, was saddled with huge armaments factories and processing industries under the communists. Economic restructuring now threatens mass unemployment in a region where the standard of living - in sharp contrast to the Czech republic - has risen since 1989.

Mr Jan Carnogursky, who sought confirmation last night from parliament as the new Christian Democratic prime minister of Slovakia, is aware that collectivism and reliance on the government is stronger among Slovaks than among more individualistic Czechs. Despite deep-seated Slovak fears of economic reform, he also realises that his re-elected Slovakia, with only 5m people, can ill afford to follow a separate economic route from Prague.

He will attempt, however, to squeeze every Koruna he can get for Slovakia out of the Czechoslovak budget. As the man who first raised the threat of Slovak independence last year, Mr Carnogursky can be counted on to play the separatist card, to gain greater economic aid for Slovakia.

His more recent statements on the need for Slovakia to remain in the Czechoslovak federation give rise to hopes in Prague that he will not compete with Mr Meciar on the

Leslie Colitt reports on the political demise of a volatile 'hero' who clung to the past

incendiary issue of Slovak independence. There could be no greater contrast between the shy, ascetic-looking Mr Carnogursky, who was first deputy prime minister until this week, and the extrovert, bull-necked Mr Meciar, who is idolised by ordinary Slovaks.

Mr Meciar threatened that after a month of peace for the new government he would march on Bratislava with the jobless and starving and demand to know what the government would do for them.

More than 50,000 of his supporters in Bratislava joined a pro-Slovak demonstration on Wednesday evening, demanding his reinstatement and hurling paving stones at parliament.

Mr Meciar's erratic behaviour as prime minister was an important reason the main body of his Public Against Violence (PAV) movement - the Slovak counterpart of Civic Forum in Prague - joined with Mr Carnogursky to oust him.

Mr Meciar angered the PAV leadership by forming a rival group, PAV-Platform for a Democratic Slovakia, which aims to put the brakes on the economic reforms.

Not surprisingly, his main allies are the former communists in Slovakia who regard Mr Meciar, himself former communist youth movement functionary, as a guarantor of social justice.

## Unification lifts hopes in German crane market

Andrew Baxter on the big construction build-up

FRESHLY-PAINTED in the black, red and yellow of Germany's national flag, a small piece of history on wheels adorns the rooftop of a car showroom in Wilhelmshaven, a windswept refinery town on Germany's north-west coast.

The squat-feasted Trabant, one of thousands that chugged into action during the exodus of east Germans from their country in 1989, might seem an odd trophy in a town so much closer to the Netherlands than the former East Germany.

But even here the effects of unification are rippling through the local economy - and nowhere more so than at the town's biggest industrial employer, Krupp Industrietechnik (KIT), part of the Krupp industrial conglomerate.

In a wartime submarine plant on the shoreline, Germany's second-biggest mobile crane producer is spearheading an assault on an eastern German market recast by unification.

The German crane-makers and their customers are being carried along by a wave of speculative buying ahead of an expected construction boom.

Nobody can be sure how and when this will happen, although independent observers of the world construction industry such as the Corporate Intelligence Group say east Germany will be the major European growth market in the 1990s.

"The east is so far behind

that the construction and reconstruction task has a size beyond imagination," said a study by the London-based analyst late last year.

On top of this, the east's machines are "old, technically very backward, either too large or too small, too noisy, too polluting and have very low output levels".

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## Red faces as Spain's socialists air their differences

By Peter Bruce in Madrid

THE British Chancellor's remarks about car telephones being a modern day scourge came true in Madrid yesterday, when the entire plaudit panoply of Spanish politics seeped unceremoniously out of a cellular telephone belonging to Mr Taki Benegas, the third most powerful man in the governing Socialist Party.

Meet "the dwarf" (Finance Minister Carlos Solchaga), "el One" (Prime Minister Felipe Gonzalez), and "el Catalan" (his deputy, Mr Jordi Serra).

On April 18 Mr Benegas, administrative director of the socialist party, was in his car when he made, or received, two calls from party associates during which they talked about forthcoming local elections and Mr Solchaga's dismissal of a party proposal to finance cheap mortgages for poor homebuyers by making banks set aside funds for the project. The issue had poisoned already delicate relations between Mr Solchaga and the party and an embarrassed Mr Gonzalez, who also thought the party's idea a poor one.

As is possible with cellular networks, the conversations were picked up and Spaniards spent most of yesterday listening to them on a commercial radio station.

Caller: "What is Solchaga trying to do? He is going to destroy our election strategy ... Why? He wants to go into a general election with a new team in Ferraz (party headquarters in Madrid). He's not stupid."

Benegas: "No, he's not stupid. I'll tell you about how cocky he gets with me ... (but) the problem here isn't Solchaga, it's with 'el One'."

The caller then goes on to say that it is no longer just a personal problem between Mr Solchaga and Mr Alfonso Guerra, a sworn political enemy and former deputy prime minister who is still deputy party leader. "The Catalan starts opining as well he'll do it much more carefully, if at all."

Benegas: "No, no, the Catalan is on the fence... what the Catalan knows is that the problem that this government has is, precisely, The Dwarf."

Mr Benegas said the broadcasting of his conversations were a form of "telephonic terrorism" and proved no Spaniard was safe any more. Mr Solchaga, cornered by reporters, was laughing too hard to say more than that he did not take the remarks seriously.

But it is becoming increasingly clear that the fight between Mr Solchaga and the party is widening into one between the government and party and that Mr Gonzalez will have to act forcefully to stop it. Senior party officials, who regard Mr Solchaga as too conservative, have been trying to trip him up for more than a year.

**Ex-Gorbachev aide explains 'empty' policies of anti-crisis plan**

## Soviet Union's prophet of doom

By Leyla Boultton in Moscow

PROFESSOR Nikolai Petrakov, former economic adviser to President Mikhail Gorbachev, has emerged as the foremost public critic of the Soviet government's latest anti-crisis plan.

His analysis savages the programme, describing it as an ill-thought out series of measures without a political base.

The leading Soviet economist, who quit his Kremlin job in January because of the government's disastrous economic policy, says in a critique of the new plan – completed on Monday and thus before the Gorbachev-Yeltsin accord was announced – that "its phraseology is modern and progressive, while its content amounts to tough administrative measures".

On the one hand the programme adopted by the Soviet parliament on Tuesday sets out essential principles for switching to a market economy: a cut

in state spending, price liberalisation, privatisation and demonopolisation.

But on the whole, there is "no clear mechanism" for the successful implementation of these measures, Prof Petrakov writes.

Mr Petrakov's criticisms, though trenchant, are still taken seriously in the Kremlin – and some of them may yet modify the still developing government plan.

The suggestions yesterday that Mr Valentin Pavlov, the Prime Minister was prepared to form some sort of coalition government could also mean the adoption of some of the radicals' ideas.

Although the recent joint declaration between President Gorbachev and Mr Boris Yeltsin may help provide the political support Prof Petrakov cited as a prerequisite for necessary reform, the programme still suffers from a number of con-

tradictions. While calling for "emergency budgets" to tackle runaway spending, the government plan does not spell out areas where cuts can be made, apart from calling for a moratorium on new spending.

The 13-page analysis by Prof Petrakov says an inventory of traditional expenditure would offer a real chance of "finding reserves" for budget cuts.

He and other proponents of radical economic reform have consistently singled out the military-industrial complex as an important source of inflation because of the money printed to support it.

"Without a sharp decrease and redistribution of resources devoted to the military industrial complex, structural readjustment and anti-inflationary measures are in general impossible," says Prof Petrakov. He believes that this sector accounts for at least 15 to 18

per cent of GNP, compared to the official figure of 6.4 per cent.

As for the government's plan to liberalise prices by October 1992, he said this would cause galloping inflation in the absence of resolute measures to break up and privatise state monopolies and to overcome severe shortages.

To deal with shortages, the government proposes tax incentives for enterprises to produce more food and consumer goods, as well as the privatisation of two-thirds of small businesses by the end of next year.

While proclaiming the need to take medium and large-scale enterprises out of state hands (within a specific time-scale), Prof Petrakov says the state is leaving itself ample room to interfere both with the running of enterprises, and their privatisation.



Yeltsin yesterday: his accord with Gorbachev may help reforms

### EUROPE IN BRIEF



### Sharp rise in French jobless rate

French unemployment grew sharply last month, from 2,557,200 in February to 2,603,100 in March. This takes the unemployment rate to 9.3 per cent, an increase of 0.1 per cent each month since December, writes Ian Davidson in Paris.

Meanwhile the National Statistics Institute revised its inflation-adjusted estimate for the fall in fourth quarter 1990 gross domestic product (GDP) to 0.2 per cent from 0.4 per cent estimated in February.

The French government is planning to freeze government spending next year.

For the first time for several years there will be no reduction in the size of the nominal budget deficit, which will be kept at FF136bn (US\$12.86bn).

### Jovic warns of civil war

Mr Borisav Jovic, the president of Yugoslavia, yesterday warned the country could slide into civil war unless the leaders of the six republics find a solution to the deepening political crisis, writes Laura Silber in Ljubljana.

He said the ongoing talks between the presidents of the six republics "have not achieved anything but have led to a sharper polarisation of views."

### Too soon for links with Nato

The new democracies of central and eastern Europe, such as Hungary and Czechoslovakia could not, for the moment, expect to establish formal membership links with Nato, Mr Manfred Wörner, Nato secretary-general said in Prague yesterday, writes Robert Mauthner, diplomatic correspondent.

Mr Wörner told a conference on the future of European security that Nato did not seek a shift of balance or an extension of military borders to the east, nor could it provide former members of the Warsaw Pact with formal security guarantees.

"At the moment, what Nato can offer is a multiple and intensive web of relations which does not exclude the Soviet Union, but wants it to be a constructive and creative partner as well."

### Power workers continue strike

Efforts were continuing last night in Ireland to bring an end to a strike by electricity workers which has caused three days of chaos throughout the country, writes Kieran Cooke in Dublin.

Electricians at the Electricity Supply Board (ESB), Ireland's state run power monopoly, are striking for more pay.

The government has warned of the serious economic consequences of the strike and says the electricians must return to work while a peace formula is being considered.

Aho's swift rise takes observers by surprise

By Enrique Tessier in Helsinki

THE SWIFT rise to the heights of Finnish politics by Centre party leader Esko Aho, 37, who formed a new government yesterday, has taken political observers by surprise. Few Finns had heard of Mr Aho before last summer, when he was elected to the helm of the Centre party leadership.

A father of three who was raised on a farm in western Finland, Mr Aho has been active in politics since his youth. He was elected to parliament from his native village of Vehoniemi at the age of 22, and has now become the country's youngest-ever prime minister.

Views differ concerning the factors behind Mr Aho's suc-

cess. Some believe that last month's election victory by the Centre at the expense of the ruling Social Democrats and conservative Coalition party was in part a vote against European integration.

Others believe that the economic policies of the Blue/Red government, which was made up of the Social Democrats, Coalition and Swedish People's party, helped the Centre to become Finland's largest party after a 28-year reign by the Social Democrats.

Mr Aho's friends say he is modest, discreet, pragmatic and intelligent. His adversaries, however, describe him as banal and without any clear

political convictions.

After the end of the war, Finland has maintained a special relationship with its giant neighbour, the USSR. Friendly relations between Helsinki and Moscow were only forged by one of the main architects of Finnish independence, the late President Urho Kekkonen, who also belonged to the nationalistic Centre Party and ruled the country for almost a quarter of a century (1956-82).

Even if the aim of consensus has been to set aside political differences for the sake of national unity, the critics of such a policy claim that it had subsumed political debate within the country to such an extent

### Efta-EC talks run aground

THE chances of getting agreement this summer on a common economic zone between the EC and the European Free Trade Association (Efta) now depend by a breakthrough at a foreign ministers' meeting next month.

Negotiators acknowledged yesterday that the year-long talks had reached an impasse on the EC's demand for more access to fish in Efta waters, and on Efta's insistence on having its own judges sit alongside the European Court of Justice in interpreting key aspects of Community law applicable to the planned European Economic Area (EEA).

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## INTERNATIONAL NEWS

Few share Kurdish enthusiasm for autonomy pact with Baghdad regime

## Kurds gamble on a Saddam promise

By Victor Mallet, Middle East Correspondent

"THE leader Saddam Hussein is our supreme ideal in practising democracy," trumpeted one of the slogans plastered over the walls of polling stations during the 1989 local election in Iraqi Kurdistan.

At the time, Kurdish residents of Iraqi towns like Sulaymaniyah and Kurdish guerrillas leaders in exile – described the government-sponsored elections as a sham and scoffed at the idea of the ruthless President Saddam having any interest in democratic or Kurdish rights.

Today, it seems, Kurdish politicians have changed their minds and are prepared to take him at his word.

But the brief announcement on Wednesday by Mr Jalal Talabani, leader of the Patriotic Union of Kurdistan, that he and other Kurdish representatives had reached agreement in principle with Mr Saddam on the establishment of autonomy for Iraqi Kurdistan leaves many questions unanswered.

It is easy to understand why each side should want to negotiate. Iraq's ruling Ba'ath Party has seen its legitimacy undermined and its army weakened by the hopeless war for Kuwait and the subsequent uprisings in Kurdistan and the predominantly-Shia Moslem towns of the south; as for the Kurdish guerrillas, their continued military presence in the mountains is rendered politically pointless unless the mass exodus into Iran and Turkey of the Kurds who make up their constituency can be reversed.

Mr Talabani and the Iraqi government say they proposed agreement is based on the largely 1970 autonomy deal which recognised the Kurdish language and cultural identity,

provided for Kurdish representation in government and called for the economic development of Kurdistan.

Many Kurds, however – not to mention those non-Kurds who have espoused the Kurdish cause in recent weeks – are profoundly sceptical about the value of promises made by President Saddam.

Mr Talabani and his allies believe concessions can be squeezed now from the weakened Iraqi leader and gains preserved by means of international guarantees.

Yet it is difficult to see the United Nations or any of its members agreeing to enforce a purely domestic political arrangement. Nor has it escaped the notice of those who distrust Mr Saddam that one of his main objections to the proposed deal is the request for outside guarantees.

When pressed on the matter, Mr Talabani told a news conference in Baghdad: "We think that democracy will be the main guarantee of the national Kurdish objective." Kurdish autonomy, in other words, is supposed to be preserved by the presence of a democratically-elected and partly Kurdish government in Baghdad.

The regime has certainly been talking a great deal about the need for democracy and reforms since the end of the war, and President Saddam has taken a back seat, in public at least, to Mr Saadoun Hammadi, the new prime minister.

But even those who sympathise with the Iraqi Ba'ath Party in its present predicament find it hard to swallow the suggestion that President Saddam and his colleagues are about to steer Iraq towards genuine democracy after three

**MAIN POINTS OF THE 1970 PACT WITH KURDS**

- Kurdish is an official language in Kurdish areas and is the language of instruction in Kurdish schools.
- The government pledges to eliminate discrimination against Kurds in the cabinet, ministries, public offices, the army and other posts.
- The government plans special Kurdish affairs programmes on television and will build more and better schools in Kurdish areas.
- Kurdish areas will be administered by Kurdish officials, including police and security officials.
- Economic resources will be fairly distributed, with indemnities for past afflictions suffered in Kurdish areas and pensions for the families of Kurdish war casualties.
- Kurdish and Arab villagers will be returned to their homes.
- Land reform will be speeded in Kurdish areas.
- The constitution will recognise the Kurdish nationality and language.
- Kurds will return their broadcasting station and heavy arms to the government.
- One national vice-president will be a Kurd.
- The state will conduct a census to determine where there is a Kurdish majority.
- Kurds will have proportional representation in parliament.



President Saddam Hussein embraces Jalal Talabani, leader of the Patriotic Union of Kurdistan, in Baghdad

## Japanese military protests

By Stefan Wagstyl in Tokyo

TWO Japanese soldiers and an ex-soldier were arrested yesterday after they tried to force their way into the office of the chief of the Defence Agency to deliver a petition protesting against the planned despatch of minesweepers to the Gulf. In other protests, six car bombs exploded harmlessly outside dormitories used by the Self-Defence Forces (the military) and a few peaceful demonstrations were held. But generally, there was little public protest at government's decision to send the ships on the first active service overseas

mission by the military since 1945. The flotilla was due to leave today. At the Defence Agency, the three demonstrators, all in military uniform, were held back by guards outside the door of the office of Mr Yukihiko Ikeda, the agency's director general. Witnesses said they shouted slogans condemning the despatch of minesweepers as unconstitutional. The three, a sergeant aged 35, a 24-year-old private and a 39-year-old former sergeant, were arrested on obstruction charges.

## Iraq under fire for holding back nuclear information

IRAQ'S response to a United Nations request for details on its cache of nuclear material is inadequate, and Baghdad has been asked for more information immediately, the International Atomic Energy Agency said yesterday, Reuter reports from Vienna.

The original request was made under UN Security Council Resolution 687, setting out terms for ending the Gulf War.

It required Iraq to accept the destruction or removal of all chemical and biological weapons, agree not to develop nuclear arms or material that could be used for such arms, and declare the location and amounts of such existing material.

The agency, which monitors the peaceful use of nuclear energy, was charged with collecting the nuclear information from Iraq, whose permanent mission to the IAEA handed over a response on April 18.

The IAEA has not divulged

the contents of the Iraqi letter, but agency officials, speaking on condition of anonymity, said Baghdad had claimed that all its fissile material had been destroyed during the Gulf war in bombings of its two small nuclear reactors. An agency official expressed scepticism about that claim.

But even if true, "we would at least like to know the location of the rubble" where the alleged destruction took place, he said. He said his agency sought a clear answer on what happened to an estimated 12.5kg of enriched uranium at Iraq's French-built Tammuz-2 reactor. It also wanted to know the

fate of a separate amount at Baghdad's Soviet-built facility thought by non-agency experts to be as much as 10kg.

Western experts have said that 15kg of enriched uranium would suffice for a nuclear explosive device, but high technology would be needed to process it. No one knows if Iraq has any capability to make nuclear weapons, but alleged potential ability to do so was cited by the US.

Mr Hans Friedrich-Meyer said his agency had asked for the additional information in a letter sent a day after the Iraqi response, but had not yet received a reply.

A delayed response might interfere with plans for a special UN commission to go to Iraq and carry out the terms of Resolution 687 by July 2.

## China denies Algerian N-sales

CHINA SAID yesterday it was supplying Algeria with nuclear technology but denied it was helping it produce fuel for nuclear weapons, Reuter reports from Peking.

It also denied a report that it was supplying Pakistan with medium-range missiles, threatening it as groundless.

"China and Algeria have an all-weather co-operation for scientific research," the Foreign Ministry said. "This is for peaceful purposes."

Francis Gallas adds: The Inter-

national Atomic Energy Agency in Vienna says it is helping Algeria to build a nuclear reactor that may eventually produce fuel for nuclear weapons. They were quoted as saying the reactor being built was larger than needed for routine nuclear research and there was a Soviet-made anti-aircraft battery nearby.

Some fear the issue may damage President Bush's attempt to retain Most Favoured Nation trade status for China.

## Saudis cautious on Iran talks

MR Ali Akbar Velayati, the Iranian foreign minister, arrived in Saudi Arabia yesterday to other Moslems by President Akbar Hashemi Rafsanjani, want first to see the outcome of the power struggle in Tehran between his pragmatist government and radical clerics who oppose him.

Saudi Arabia and Iran are spiritual leaders respectively of Islam's two great branches – Sunnis and Shias.

Mr Velayati's visit is the first by a senior Iranian official since the two countries resumed ties last month after a three-year break.

Relations have been troubled ever since revolutionary Shiites

The Washington Post last week quoted US intelligence agencies as saying China was helping Algeria to build a nuclear reactor that may eventually produce fuel for nuclear weapons. They were quoted as saying the reactor being built was larger than needed for routine nuclear research and there was a Soviet-made anti-aircraft battery nearby.

Some fear the issue may damage President Bush's attempt to retain Most Favoured Nation trade status for China.

took power in Iran in 1979. "Iran must prove that it is emerging as a power for peace and stability rather than agitation," one senior diplomat said.

The two countries cut ties soon after 400 pilgrims – mainly Iranians – died in clashes with Saudi security forces during the 1987 haj in Mecca. Iran subsequently boycotted the annual pilgrimage to Islam's holiest shrines, which every Moslem should try to perform once.

The minister is due to travel to Syria and Turkey with Mr Rafsanjani after his visit to Saudi Arabia.

## Food queues in Peking

PEKING residents formed queues outside state stores to stock up on rice, flour and oil yesterday as subsidy cuts took effect, Reuter reports from Peking. Anyone holding a ration coupon could buy at old prices, far below the new ones set by the government, which wants to reduce its crippling budget deficit.

The price of flour was put up 54 per cent and vegetable oil 108 per cent. The rises were effective nationwide from yesterday, according to people who had seen a government circular.

The prices of goods made

from these staples, including

cakes, noodles and even soap, will also go up.

Most urban workers earn between Yuan 100-150 (330 to £15) a month and spend most of it on food. About one third of all government spending is on subsidies to keep prices low and to bail out failing state industries.

Inflation in the first quarter of this year was running at 6 per cent, compared to 1.8 per cent inflation nationwide. Even after the increases, state-supported prices are extremely low by world standards. At the new prices, wheat flour will cost 285 Chinese cents (3p) a pound at state stores.

By John Riddick in Seoul

## Korean minister fired over pollution

PRESIDENT Roh Tae Woo of South Korea yesterday sacked his environment minister in response to a scandal concerning the widespread pollution of tap water. Mr Huh Nam Moon was replaced as minister by Mr Kwon Hwi Hyuk.

The scandal centres on contamination of the water supply in Taegu, an industrial city in south-east Korea. More than 300 tons of phenol, a toxic acid, were allegedly dumped into a river by Doosan Electro Materials, part of the Doosan Group, a large conglomerate.

## Japan's surplus just won't lie down

But the figure bears some close examination, writes Stefan Wagstyl

FOR Japanese trade ministers visiting Washington, the agenda may change from one year to the next but the underlying issue is always the same – the size of Japan's trade surplus.

It is different for Mr Etsushi Nakao, the latest chief of the ministry of international trade and industry (Mit), who sets off for the US today. He will be faced by complaints from the Administration of President George Bush over semiconductors, construction, auto parts and rice.

Japanese will add political spice to the trip with moves of their own – including a proposed ban on imports of Japanese rice wine to match the US ban on foreign rice. But all this will be a reflection of the persistent underlying imbalance in trade.

After falling by more than 40 per cent since 1986, Japan's surplus is rising again. In each of the past three months, the surplus has been higher than for the same months last year. The \$3.72bn surplus recorded in March was the highest since December 1988.

Mr Paul Summerville, an economist with Jardine Fleming, the securities company, forecasts that after falling from a peak of \$90bn in 1986 to \$54.6bn in the year to March 1991, Japan's trade surplus will rise in 1991-92 to \$65.5bn.

Japanese Ministry of Finance officials deny that an upward trend is in the making. But Mit is worried. One senior official said this week: "We are afraid this trend might continue this year. It's very important to keep the surplus under control."

The figures continue to provoke howls of protest from Washington. But, in truth, European producers have more

year is dampening appetites. European companies are particularly badly affected since luxuries – including German cars, French wines and Italian jewellery – account for a significant part of their sales in Japan. Imports from the EC rose 20.5 per cent last year, but this year's increase could be much smaller. In March imports were up just 0.4 per cent.

Mr Hirohiko Okumura, chief economist of Nomura Research Institute, says the decline in the growth of imports is a natural result of the cyclical easing in consumer demand. This is true. But it will do nothing to improve Japan-EC relations at the crucial time when the community is establishing new rules for governing entry to its markets after 1992.

Alongside these short-term changes a significant long-term shift is taking place. Japanese exporters are successfully redirecting their energies towards Europe and Asia.

Politics has played a part in this shift, with Japanese companies responding to criticism from Washington. But economic

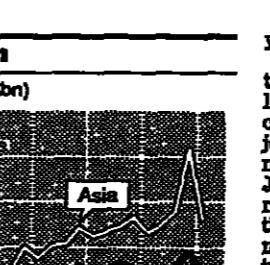
summits have been the driving force. In comparison with the US, Europe is still an under-developed market for Japanese companies. In three important countries – France, Italy and Spain – severe restrictions are applied to Japanese goods. Asia offers even more potential. Asia late last year overtook North America as the main destination for Japanese exports. Given the high growth rate of many Asian economies, Asia's importance as a market seems certain to continue to expand.

Mr Summerville forecasts that by the end of the decade Asia will absorb 40 per cent of Japan's exports. For the first time in 25 years, the most important Asian economic decisions are being made by Asian companies and Asian consumers.

The long-term growth of Asia will not reverse the decline in Japan's trade surpluses from its peak in the mid-1980s. But it will probably mean that after increasing this year, the surplus will not fall by much in 1992 or thereafter. Certainly, the surplus is unlikely to start shrinking again at the rate it did in the late 1980s. Nomura Research Institute forecasts that by 1995 the trade surplus will still be \$60bn.

That figure may sound unacceptably high to some politicians in the US and in Europe. But it could be misleading:

by 1995, the surplus will be much more equally spread among different countries. Also, the current account surplus will amount to a much smaller proportion of Japanese GNP than it did at its peak in 1986. Then it was 4.5 per cent; in 1989 it was 1.2 per cent. By 1995, it could fall below 0.5 per cent.



Nakao: faces old refrain

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## WORLD TRADE NEWS

**China may use Sydney as entrepôt**

CHINA may use Sydney as an entrepôt port for expanding trade with the island states of the South Pacific, Yvonne Preston reports from Peking.

Li Lanqing, China's minister for foreign economic relations and trade, said yesterday that many Pacific island countries wanted to buy Chinese goods, but their small markets made direct trade difficult.

In future, Australia could provide an entrepôt trade point.

Sydney could offer duty-free storage for Chinese products, enabling small orders to be shipped to Pacific customers from Australia, obviating the need for a direct trade relationship between China and the islands.

The Chinese minister was speaking before talks with Senator Gareth Evans, Australia's foreign minister.

Senator Evans, who has been visiting Peking to normalise post-Tiananmen relations, has now left China. During his two days there, he met Premier Li Peng, Jiang Zemin, China's Communist Party chief, and Qian Qichen, Peking's foreign minister.

Nothing concrete had been decided about the entrepôt proposal, Li reiterated, but the possibilities were being studied.

**Fast-track move runs off the rails**

Bush finds opposition on negotiating facility, writes Nancy Dunne

**T**HE TWO widely divergent visions of free trade with Mexico expressed in the italic paragraphs accompanying this article capture the polarities of the mounting debate over President George Bush's request for a two-year extension of his "fast-track" trade negotiating authority.

Indeed, what in times past was a pro forma petition by a President to a Congress has turned into a key political battle.

Congress has until June 1 to make up its mind whether to

promise – as it does when it grants fast-track authority – not to amend any trade pact negotiated by the President.

The same authority is needed for continued talks under the stalled Uruguay Round of multilateral trade negotiations under the General Agreement on Tariffs and Trade. Now that is being jettisoned by President Bush's more controversial plans for free trade with America's southern neighbour.

Those opposed to the Nafta are the labour unions, textile and apparel manufacturers, farmers, consumer and liberal church groups. In support are hundreds of business leaders who see benefits in both access to cheaper labour and a more lucrative market for US products.

The Administration is arguing that the Nafta is a building block, not only to a hemispheric-wide free-trade region, but to the President's vision of a "New World Order". Mr Robert Zoellick, the State Department counsellor, says it sends a signal of encouragement to new Latin American leaders committed to democracy and mar-

keting economics.

Most of those opposed to the fast-track facility insist they are not so much against increased trade with Mexico, even free trade eventually, as they are the fast-track procedure itself. They want to slow the process, bringing the continent's three economies more in line as well as their regulatory and political systems.

Mr Mark Anderson, the AFL-CIO representative spearheading labour's fight against the fast-track, contends that the negotiations are not so much about jobs as investment in Mexico, when investment is vitally needed in the US. If the Administration wants to help Mexico, he says, it should be providing more debt relief and foreign assistance.

Dr Adolfo Aguirre, a visiting professor from Mexico at the American University in Washington, is another opponent of the Nafta. He has warned congressmen against mace to congressional hearings to reiterate the Administration's environmental and job safety laws.

"Mexico is not a country where there is rule of law," he says. "Every Mexican citizen knows how to get things done in spite of laws. The Congress and the judicial system are controlled by a king who serves for six years and chooses his own successor."

Thus far, there is little sign

of a consensus emerging and observers say a congressional vote would be too close to call at this stage.

However, compromise plans have found their way into the debate through Senator Donald Riegle and Congressman Samer Levin, both from Michigan, where the motor industry wants the fast-track and unions oppose it. They propose to grant the fast-track for the Uruguay Round but allow a limited number of amendments to the Nafta.

These would insure congressional control over issues of most concern: environment, rules of origin, health and safety standards and dispute settlement mechanisms. These are the issues opponents do not believe they can trust the Administration to address.

**Japanese plant to set up in Spain**

By Kevin Done, Motor Industry Correspondent

CALSONIC, a leading Japanese automotive components maker, is to set up a subsidiary in Spain, to make car heaters and air conditioner systems.

Prototype manufacturing is planned to begin in October with full production in 1992 at a rate initially of 120,000 units a year.

Its first customer will be Nissan Motor Iberica, the Spanish commercial vehicles subsidiary of Nissan of Japan, which produces a range of vans, light trucks and four-wheel drive leisure/utility vehicles.

Calsonic is an associate company of Nissan, Japan's second largest car maker. In 1988, it took over Llanelli Radiators Holdings in the UK for £16m (\$26m).

Calsonic has established its European head office, Calsonic International (Europe), at Llanelli Radiators, Dyfed.

In addition to Llanelli Radiators, it produces heaters and air conditioning systems in north-east England, where it is increasing production from 120,000 units a year to 300,000 a year by 1992.

It also makes exhaust systems and catalytic converters in the Netherlands.

**Egypt to buy Turkish fighters with US finance**

EGYPT is to buy 46 Turkish-made F-16 fighters, worth about \$1.3bn, which will be financed through US military loans, Egypt's ambassador to Ankara said yesterday. Reuter reports from Istanbul.

"We have agreed to purchase 46 Turkish-made F-16 fighters and we have informed the United States of our decision," Mr Mohamed Elisa, the ambassador said.

He said it would be the first time a General Dynamics fighter aircraft had been built outside the US and sold to a third party.

Mr Elisa said the deal would be financed by US Foreign Military Sales (FMS) credits to Egypt but gave no details of the financing.

Turkey began co-producing US-designed F-16 jets under General Dynamics licence in 1981 at a complex in Mardin, outside Ankara.

It is operated by the joint venture Turkish Aerospace Industries (TAI). Any F-16 sales from Turkey to third countries have to be approved by Washington, defence officials said.

"We had a great deal of negotiations, including moneywise dealing with the United States," said Mr Elisa. "Initial negotiations took place in Ankara and in Cairo, and concluded in Washington."

Using 70 per cent domestic manufacturing input, TAI has

so far turned out 82 aircraft in its first production run of 152 F-16 fighters. Last September Washington agreed to double the production run.

The initial contract with TAI to produce 160 fighters, will expire in 1994 and Turkish defence officials hope to renew agreement early next year for a second batch of 160 aircraft in which domestic input will rise to 90 per cent.

Defence officials said the first plane for Egypt was likely to be delivered by next year.

The International Monetary Fund is calling for belt tightening in Turkey and urging policy revisions to cope with high inflation, a senior economy official who wished to be unnamed said yesterday. Reuter adds from Istanbul.

He said the report predicted a worsening payments balance in 1991 as well as an investment slump and continuing inflation – now running at 62 per cent annually.

The report, the official said, estimated this year's public sector borrowing requirement would reach 10 per cent of the Gross National Product, up from 7.5 per cent in 1990.

The official said the report called for immediate action to help Turkey's chances of international borrowing markets, where the Treasury has to raise at least \$500m this year, possibly backed by World Bank co-financing.

**Seoul digs in heels over rice import ban**

By John Riddings in Seoul

SOUTH KOREA, taking a strong position on the issue of food security, yesterday reaffirmed that it will keep its rice market tightly closed with imports.

A meeting of senior economic officials, headed by Mr Choi Gak Kyu, minister for economic planning, ruled out liberalising the rice market and reducing subsidies for rice production.

"We will not allow imports of rice under any circumstances," a ministry of agriculture and fisheries official said after the meeting.

The meeting was prompted by a domestic outcry following remarks made earlier this week by Mr Park Soo Gil, Korea's chief negotiator in the Uruguay Round of Gatt negotiations.

Mr Park said the opening of the Korean rice market was inevitable, and that Korea would agree to allowing 3.5 per cent of its rice demand to be met by imports.

The outcry demonstrates the

**Korea attacks dumping**

THREE foreign chemical companies face anti-dumping duties, the first to be imposed in South Korea, Trade Ministry officials said yesterday. Reuter reports from Seoul.

Korea Engineering Plastics (KEP), a subsidiary of the Hyosung group, charged in May 1990 that the US companies ELDI Pont de Nemours and Hoechst-Celanese, and Japan's Asahi Chemical Industry, had dumped polycarbonate resins on the South Korean market.

"We decided the resins were imported by the three companies at a lower price than set in their home countries, and this hurt KEP," Mr Kim Wan-Soo, chairman of the Korea Trade Commission (KTC), a

sensitivity of the issue. Rice is the single most important crop for Korean farmers, but the inefficiency of domestic production means they would find it hard to compete with international producers.

Government subsidies and closed marketing of the average price of rice in Korea is about five times the \$350 a ton it costs on the international market.

Exception for rice and a few other staple products, South Korea has been demonstrating a more flexible approach to the liberalisation of its agricultural markets.

Since the start of this year, it has reduced the number of products it is seeking to exclude from liberalisation under the Uruguay Round of Gatt talks.

Korea originally sought to exclude 15 products, citing non-trade concerns such as food security. But it now wants to exclude only rice and a few other staple products such as barley.

The outcry demonstrates the

**Dutch set sights on ECGD export business**

By Ronald van de Krol in Amsterdam

NCM, the Dutch credit insurance company, said yesterday it had a "substantial" chance of being chosen by the UK government to purchase the short-term export insurance business of the Export Credits Guarantee Department (ECGD).

Mr Harry Groen, chairman of NCM, said that if the Dutch company were selected, it would finance the deal through its own internal resources and through a placement of shares with its existing shareholders.

These are mainly banks and insurance companies in the Netherlands, and to a lesser extent, in the UK, Germany and Switzerland.

He described the possible purchase of a major part of ECGD as a unique opportunity which would lead to a doubling of NCM's premium income.

NCM, whose official name is Nederlandse Creditverzekerings Maatschappij, is one of four companies on the UK government's short list.

The other three are Assicurazioni Generali of Italy, and Sun Alliance and Trade Indemnity of Britain.

Bids for the Cardiff-based ECGD division must be submitted

by April 30.

The Dutch company yesterday unveiled annual results which showed 1990 after-tax profit up 18 per cent at Fl 33.6m (\$17.7m).

Mr Groen said 1991 results should at least match last year's figures.

Premium income for NCM's own account showed a marginal increase to Fl 271.7m from Fl 271.4m in 1990. Claims were up 17 per cent at Fl 121.7m.

Apart from insuring commercial risks for its own account, NCM also handles the reinsurance of political risks on exports for the Dutch government.

Although Mr Groen acknowledged there were some sensitivities among exporters in the UK about a foreign company buying a former government agency, he said NCM was fully capable of serving British exporters and there would be no conflict of interest with its Dutch operations.

Mr Groen refused to be drawn on details of NCM's bid or to say which parts of ECGD's business the Dutch company was hoping to take over.

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No. 2

# From grass roots to global network

A socially aware policy of paying close attention to local issues has paid off in the form of world-wide success for the leading office automation group

**W**HEN RICOH, a leading manufacturer of office automation equipment, began building its second high-tech European factory in France the Japanese group came up against a 7,000-year-old obstacle.

No sooner had construction started at Wettolsheim, near Colmar in the beautiful Alsace region, than Ricoh uncovered an important Neolithic Age archaeological site, dating back to 5,000 BC. Some 3,000-year-old Celtic coins were found nearby. Roman remains showed further proof of the site's rich ancestry.

These discoveries could so easily have resulted in yet another clash between our cultural heritage and industrial progress. Instead, the discoverers brought Ricoh and the local community together. They quickly managed to bridge the gap between Neolithic Man and the post-Industrial Age.

**Building for today's generation**

Koji Sawa, president and director general of Ricoh Industrie France, says: "Our archaeological discovery meant that my first contact with the local community was not about business at all. Instead we discussed how to excavate and preserve these riches."

"We were delighted to discover how certain aspects of Japanese culture corresponded in age to some of the finds. And though excavation delayed the factory construction by two months, we made up most of the lost time because of the good relationship we developed."

Ricoh's sensitivity to local feelings at Colmar is typical of the way in which this global company has carefully gone about its policy of localisation, of putting its roots

places on the local communities in which it is established. It is successful because it works hard to put down its roots in local soil and takes great care to cultivate them.

## Strong growth in Europe

The importance of localisation is most clearly shown in the way Ricoh has grown in Europe and in particular in the development of its two production subsidiaries in Telford, England and Colmar, France.

Since establishing its first subsidiary in Europe in 1963, Ricoh has expanded rapidly. From its headquarters in Amstelveen, Ricoh Europe BV co-ordinates its seven sales subsidiaries and two financial subsidiaries as well as the British and French factories. Ricoh now employs more than 2,400 people throughout Europe.

Some 700 of them work at Telford, in England's West Midlands, where production first started in January 1986. It was felt that Telford was an appropriate place in which to build a factory for the 21st century for it lies only a few miles from the historic Ironbridge, birthplace of the Industrial Revolution. The region is also famed for the skill and craftsmanship of the local people.

Only 50 kilometres from Birmingham and at the centre of a network of road and rail communications, the Telford plant is well situated to respond quickly, not only to the needs of the UK but also to the continental European market.

The plant started by producing toner, the fine thermal plastic powder used in Ricoh's copying process, and then the selenium drums from which the image is transferred to produce an exact copy of the original document. Plain paper copiers, of which Ricoh is a world leading manufacturer, came next, followed



Teamwork in action: Mr. Takashi Nakamura, managing director of Ricoh UK Products Ltd, with Telford athletes who are sponsored by the company

employment and industry in the Telford area. It has also set high standards of quality which have been adopted by local industries.

Near the foyer of the Telford factory where Ricoh's newest products are displayed is a sign which sums up the Ricoh approach. It reads:

"Commitment to Customer FIRST."

"Commitment to Quality FIRST."

"Commitment to working together".

These principles lie behind Ricoh's localisation plans for Europe, of which the Telford plant is a model.

Ricoh will soon complete the installation of the world's first facsimile network, which will span 165 countries on six continents. In all, 300 machines will link the International Olympic Committee headquarters in Lausanne, Switzerland, with all 165 National Olympic Committees, 89 IOC members, 33 international (sports) Federations and 13 other recognised organisations worldwide, as well as the Albertville and Barcelona Olympic Organising Committees.

The company is already well ahead of schedule. The fax machines, which have been built to carry even the heaviest communication traffic, include the ultra-reliable FAX07 and FAX70 and FAX90 family. They will ensure that information before and during the Games will continuously be updated and will reach places as far away as Thimphu, Bhutan and Lima - within minutes.

down in various areas around the world.

This kind of caring attitude has helped Ricoh, first established in 1936, to become a large group with 127 subsidiaries worldwide, more than 37,000 employees, eight research institutes and 24 modern manufacturing plants worldwide.

From its position as the number one copier manufacturer in Japan, Ricoh has pioneered developments in facsimile machines as well as data processing systems, laser printers, optical filing systems, electronic devices, cameras and selected supplies.

Ricoh's size has never been a barrier to the importance the company

by fax machines. European fax production has since been concentrated in France.

From a nucleus of half a dozen employees the Telford plant has rapidly recruited local people and today less than 5 per cent of the workforce is Japanese. Some 60 per cent of its turnover is now sold in continental Europe with a further fifth in the UK itself and the remainder being exported to the US and the rest of the world. More than half of the supplies used in Telford's production process are now produced locally or elsewhere in Europe.

But Ricoh has not only made a significant contribution to local

This step by step approach was also adopted when Ricoh decided to set up a second plant in 1987, this time in Colmar, France.

Koji Sawa, of Ricoh Industrie France, explains: "We wanted a site

## SPREADING THE OLYMPIC SPIRIT



AS A PIONEER in advanced office automation, Ricoh was the obvious choice as official sponsor for facsimile systems at the 1992 Olympic Games in Barcelona. Ricoh fax machines will provide the highly efficient and reliable communications upon which every country taking part in the Winter Olympics in Albertville, France and the Summer Olympics in Spain will depend.

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in the heart of Europe and Alsace was perfectly placed. Its history meant that the local people spoke French and German and the young, in particular, also speak English. Moreover, the people of Alsace are very flexible in their outlook and open to new ideas."

When the plant opened in 1988 it produced plain paper copiers, facsimile machines and fusing rollers. Employment grew rapidly from the original crew of 12 who had spent some time training in Japan.

From the beginning, Mr. Sawa was very clear about his priority in encouraging localisation: "I saw everyone as my partners and that was the attitude I encouraged in everything we did at every stage." Already more than two thirds of the managers are French.

Currently Ricoh Industrie France employs about 500 workers who, like their counterparts in Telford,

boarding cards.

"Ricoh's decision to build the plant here is seen as a vote of confidence in the region," says Hubert Schwanger, the locally-born production director of Ricoh Industrie France. "Everyone here feels it means that Ricoh is confident about the product and quality being produced at Colmar."

The new thermal paper plant also says a lot about Ricoh's commitment to localisation. For a start the plant's output will replace imports by European thermal paper products. As a result Ricoh will be able dramatically to improve customer services.

This point is reinforced by Yoshiharu Moriya, chairman of Ricoh Europe, who says: "Ricoh in Europe has depended very heavily on imports of thermal paper from Japan. Given the rising popularity of Ricoh facsimiles and the number of manufacturers requiring thermal labels, we believe it is essential to ensure the most efficient supplier to maximise the long-term satisfaction of our local customers."

Local suppliers will play an important part in both the operation and production of the new plant. Its opening will make Ricoh the first company to manufacture thermal paper in the world's three biggest markets.

## Strong links with local suppliers

"We are currently looking at various European paper makers," says Mr. Schwanger, "as well as chemical suppliers for the day we start production."

Ricoh has a long-standing policy of encouraging local suppliers. A room in the Wettolsheim plant is devoted to a display of local European products ranging from main motors and power packs to paper feed trays for fax machines and operation panels. More than half of the components used in Ricoh's copier and fax production in France are of European origin. The proportion could eventually rise to 70 per cent in the thermal paper plant.

Encouraging local suppliers has gone one step further at Telford, where a European parts Research Centre was opened last year.

At the heart of the local community

"We place great importance on working with our suppliers," says Mr. Nakamura of Ricoh UK Products Ltd. Engineers from the centre visit local manufacturers of components to examine production quality and if necessary provide assistance such as technology control methods in order to meet Ricoh's stringent quality requirements.

Extensive training is offered by the Research Centre and Ricoh and the supplier work closely together. After three months Mr. Nakamura visits the local manager as a sign of the importance Ricoh places on encouraging local suppliers.

"We work closely with our suppliers," adds Mr. Sawa of Ricoh Industrie France. "We encourage them to visit the factory and to see how we control quality. It is not just to improve the products they make for Ricoh. By improving their total quality, they increase competitiveness throughout their businesses."

Following the success of Ricoh's first European Suppliers Congress in Telford last year, in which 46 major European Ricoh suppliers met to exchange ideas, a second Congress will be held in France this year with the third in 1992, again scheduled for Telford.

The company likes to involve itself with the local community at many levels. Ricoh Products is providing £30,000 to the new Telford Athletic Track which opens with the World Athletic Championships this autumn. The company has also made donations to the famed Ironbridge Gorge Museum in Telford, which attracts visitors from all over

the world.

Rather than have a grand ceremony to mark the start of the thermal paper factory, Ricoh Industrie France contributed towards the refurbishment of Colmar's historic Old Customs House. Ricoh has also supported local football teams, hospitals and many other organisations in England and France.

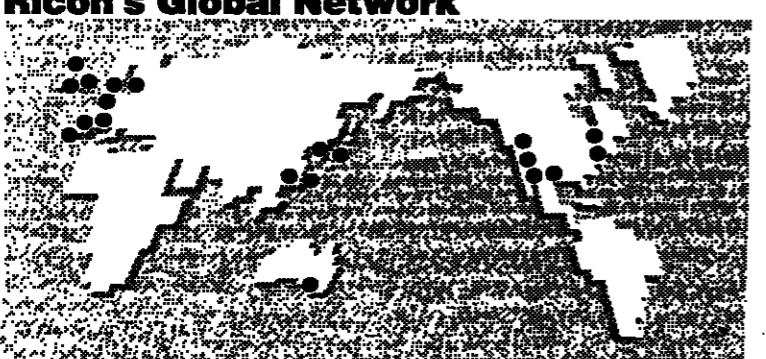
Ricoh places great importance in everyone playing a part. "Together we work to make the company strong and successful," says Mr. Nakamura.

"What is the difference between a Ricoh copier and another?" asks Colmar's Mr. Sawa. "The machines may look similar - but the difference lies in the human ability and resources that have gone towards making the product. Understanding different cultures and producing the best from them - that is the key to success in localisation."

Sometimes a stork, which nests in the nearby church steeple at Wettolsheim, sits itself in the beautiful "memory garden" which holds archaeological remains found during the Wettolsheim plant construction. The bird stands by the shadow of a Ricoh commemorative pillar which bears, among others, the Wettolsheim coat of arms - a turtle. Both the stork and the turtle are signs of long life and good fortune in Japan. Together they are a happy symbol of the fruitful co-operation between Japan and Europe which Ricoh is successfully building.

Working at Ricoh is proving popular. According to Jean Michel Romann of Ricoh Industrie France there are about 30 applications for every operative's job. For supervisory roles, where a French Baccalaureate

## Ricoh's Global Network



is required, there is often as many as 10 applications for each job.

## Telford: a study in local co-operation

Mr. Takashi Nakamura, managing director of Ricoh UK Products Ltd, says Ricoh's comprehensive localisation plans involved six steps.

First, localised production is set up. Then we buy more and more components locally. After that we encourage a greater transfer of technology from Japan and we start exporting the locally made products. Increased employment of local staff follows and finally we plan for the localisation of capital which includes, for example, listing the company's stock on the domestic market.

Here at Telford, Ricoh UK Products Ltd is well into the fifth stage of Ricoh's localisation plan.

**Colmar: a success story in the heart of Europe**

This step by step approach was also adopted when Ricoh decided to set up a second plant in 1987, this time in Colmar, France.

Koji Sawa, of Ricoh Industrie France, explains: "We wanted a site

tend to be young. The average age at the Wettolsheim plant is 25.

This is only the beginning. A new plant is due to open next March just a few hundred metres from the existing factory. Ricoh is already recruiting some of the 160 employees who will be working in the most up-to-date factory in Europe producing thermal paper, a product for which world demand is growing in excess of 20 per cent a year.

More than 30,000 tons of untreated paper a year will be turned into the highest-quality thermal paper for fax machines or into thermal paper labels which can be used for everything from train tickets, bar code labels and airline

boarding cards.

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## FROM IRON AGE TO SPACE AGE

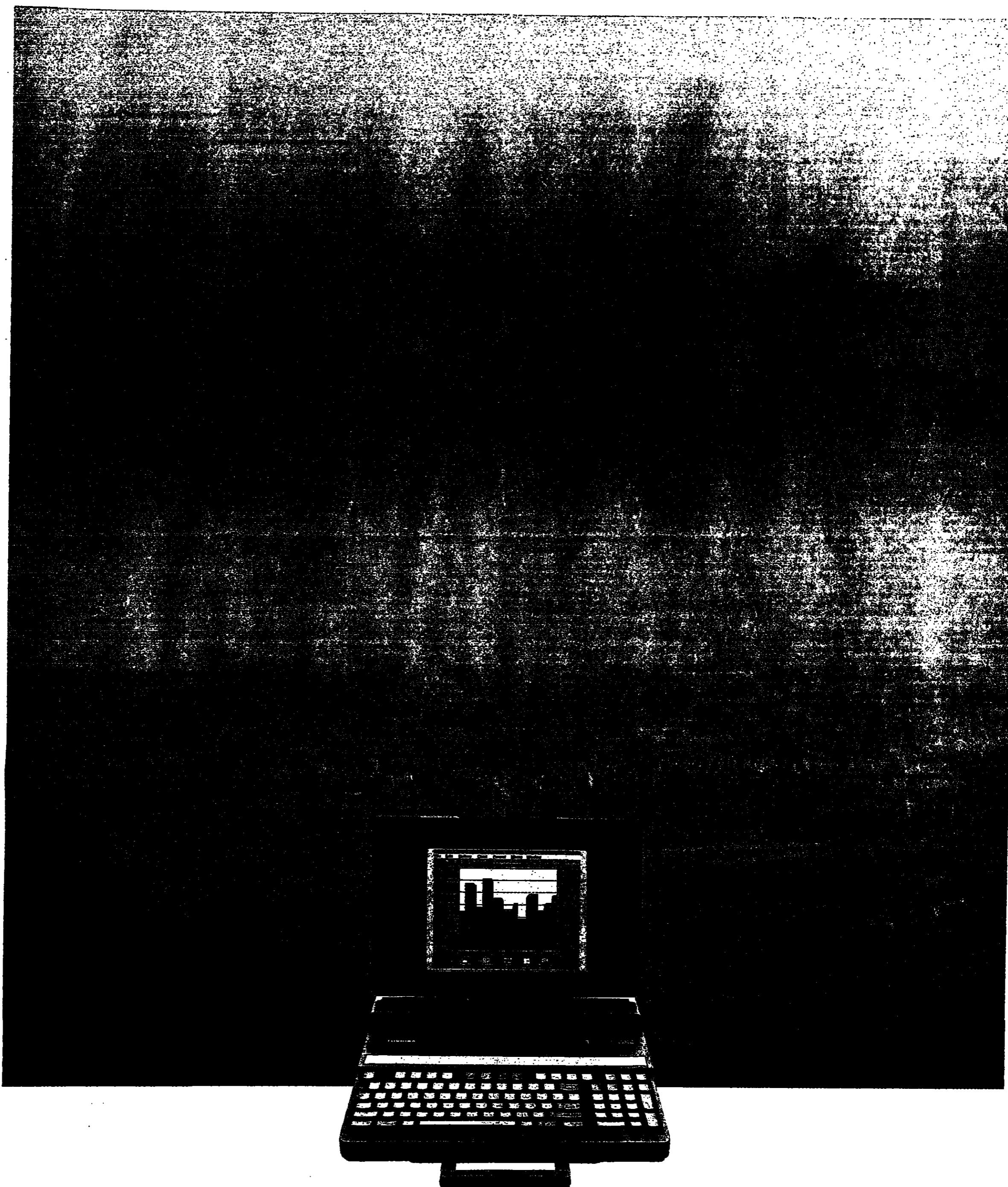
THE archaeological finds unearthed at the super-modern Ricoh factory site at Wettolsheim, France, show that it was occupied during two different eras. It was a Neolithic village between 5,300 BC and 4,700 BC and an Iron Age graveyard and village between 900 BC and 400 BC. The site is thought to have been home to the first of the agricultural peoples of Central Europe during the Neolithic Age, while the Iron Age Celts population could be considered Gallic ancestors. There is also a Roman well on the site which dates back to 50 AD.

More than 10,000 objects were gathered in the area: pottery, objects of bone and flint, animal remains, stone hatchets, ornaments of bone, bronze, iron, glass and amber. The memory garden symbolises an important archaeological find on the site.

Mr. Koji Sawa, president and director general of Ricoh Industrie France, with Hubert Schwanger, the production director of Ricoh Industrie France, who was born near the Colmar plant

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## UK NEWS

Carmaker under global pressure to cut costs after very heavy losses

**Ford to trim workforce by 12%**

By Kevin Done, Motor Industry Correspondent

**FORD**, the US car maker, is planning to cut around 2,500 jobs or 12 per cent of its salaried workforce in Europe over the next three years.

Ford of Europe's net profits plunged by 7.6 per cent last year, to only \$265m, from \$315.6m in 1989, and a record \$31.56bn in 1988. Its second year result is ten years old.

Ford is under considerable financial pressure worldwide and is being forced to take far-reaching measures to cut costs.

In the final quarter last year it ran up a net loss of \$519m, its first quarterly loss for eight years and its second highest quarterly loss ever.

Ford of Europe said yesterday that it was reviewing its European cost structure. "Salariated personnel costs must be reduced significantly if we are to remain competitive".

It said that the cuts would come from "indirect" salaried staff and would not hit manufacturing or sales operations.

It was aiming to cut around 30 per cent of indirect salaried

A SHARP warning that the recession could turn out more severe than the government has predicted was delivered yesterday by an all-party committee of MPs.

The treasury and civil service committee, in its report on this year's budget, criticises the government for being slow to respond to the economic decline and for getting its forecasts wrong.

It also warns of the dangers of a squeeze on credit by banks forcing into liquidation companies which, in more normal times, would have been viable.

The report comes in the wake of several gloomy surveys of business opinion in the past few days. These have conveyed doubts about the pace and timing of the economic recovery, which the government hopes will start in the summer.

The recovery could be delayed, according to the committee, if the UK is unable to continue over the next few months its recent programme of cutting interest rates. Another impediment is the degree to which the US economy picks up.

"We are concerned that the recovery is so heavily dependent upon a revival in consumer confidence and consumer expenditure, which may falter if the rising trend in unemployment continues unabated," the report says.

The committee highlights what it calls the "substantial" discrepancy between the relatively bullish Treasury forecasts at the time of the autumn statement last November, and this body's much bleaker set of projections provided with the budget last month.

Staff at a rate of around 10 per cent a year over the next three years. Ford of Europe has around 21,000 salaried staff

with the main presence in the UK with 9,800 and in Germany with 7,800. Ford said that the review process was still under way and that a final decision was still to be made on how to achieve the cuts.

It is expected that the company will seek to reduce in particular middle and senior management in order to reduce some management layers and delegate authority further down the organisation.

It will also reduce the number of foreign service employees by hiring more salaried staff locally, and will cut indirect staff.

Ford's total workforce in Europe had already been cut from 180,500 in 1982 to 115,500 in 1989.

However, it rose to 126,300 last year largely through the inclusion of Jaguar, the luxury car maker acquired at the end of 1989. The Ford group's new car sales in Europe (including Jaguar) fell by 3.2 per cent to 1,834,000 last year.

Total vehicle production (including light commercial vehicles) in Europe fell by 4.3 per cent to 1,776m from 1,855m a year earlier.

With the main presence in the UK with 9,800 and in Germany with 7,800. Ford said that the review process was still under way and that a final decision was still to be made on how to achieve the cuts.

This document barely acknowledges that people who are poor are more likely to be in poor health, and offers not a single target to reduce the health gap between rich and poor.

The government hopes that its NHS reforms, which have separated the financing of health care from its provision, will encourage purchasing health authorities to determine the health priorities of their populations and allocate resources accordingly.

Many of the lifestyle issues covered by the government's proposed health targets are related to factors like diet and smoking habits.

Mr Michael O'Connor, director of the Coronary Prevention Group, said yesterday that the government would be countering its own aims of improving

the nation's health if it continued to oppose EC proposals to ban cigarette advertising.

The overall health of the British population, measured in terms of mortality rates, is improving but there are still very large regional and local variations. Scotland, for example, has one of the world's worst records for death from heart disease.

Health problems are frequently associated with other social factors like poor housing and, consequently, economic circumstances. Although the explanations for health variations are complex a number of recent studies have argued that there is a powerful link between the quality of health and deprivation. One of these, a study of London in the 1980s, showed that death rates among middle-aged men in the capital's inner-city boroughs were double those of the more affluent outer districts.

From the outset, Alan's aim

was to be a photographer for a national daily paper, and he moved to the Financial Times in 1981, again as a darkroom technician.

He revealed an early ability to get the most out of every negative, and displayed a keen interest in all aspects of the photographic craft. It was



David Thomas

researchers taken on by the economic department in 20 years. He gained that reputation partly because of his prodigious output, but mainly for his incisiveness in challenging the orthodox ideas of the

labour movement in the mid 1970s, for example about the introduction of private capital into nationalised industries.

He brought the same spirit of iconoclasm and thoughtfulness to the FT when he joined the labour staff in 1985. His initial qualities that he might make the grade as a news reporter were quickly proved wide of the mark.

In a succession of important specialisms, from electronics and telecommunications, to education and then energy and natural resources, he showed a predatory delight in the chase, an ability to prize information from the tightest sources and a sure judgment as to its true importance. Sometimes when a government department was being difficult he would harangue an official until he got what he needed. He was, in short, a superb reporter, who saw each story as a piece in the mosaic of policy and industrial strategy.

While covering the electronics sector, he became fasci-

Sugar's computer company, Amstrad. The result was a book, *Alan Sugar, The Amstrad Story*, which won wide critical acclaim and also made the best-seller list.

Colleagues attest that although he did not suffer fools in their gullibility, his demolition of opposing points of view was always done with good-natured relish that kept his existing friends and made him more. Behind a rather shy, donnish exterior, he was a witty and companionable man.

Colleagues in his department will miss him for his enthusiasm and extraordinary capacity to collect and assemble snippets of information into an important story.

The trade of journalism will miss a man whose abilities would have brought distinction as an academic, a civil servant or a political activist, but which he chose to devote to understanding industry and society, reporting the truth and analysing why it mattered.

David lived with his partner, Jenny Rosister.

## OBITUARIES OF A FINANCIAL TIMES WRITER AND PHOTOGRAPHER

**David Thomas: a respected specialist**

DAVID THOMAS, the FT's

National Resources Editor, who died on Wednesday, aged 37, was one of those writers who gave journalism a good name.

He delighted in uncovering folly, and inconsistencies, but he achieved that with such intellectual rigour that he was respected as much by the people he wrote about as by his colleagues and competitors.

David was a scholarship boy from Cwmbran, Wales, who took a first-class degree in social and political sciences at Cambridge University before completing a PhD, published as *Naturalism and Social Science*.

Throughout his later career, which moved from the research department of British Coal and the TUC to New Society magazine and the Financial Times, David retained a speculative interest in the clash of ideas and the larger truths of modern society. However, he was also driven by an intense curiosity and appetite for detail in his chosen fields.

At the TUC, he was thought to be one of the most brilliant

researchers taken on by the

economic department in 20

years. He gained that reputa-

tion partly because of his pro-

ductive output, but mainly for

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orthodox ideas of the

administration grew to a close, capture both her undiminished zest for the fray and the photographe's equally striking determination to outstrip his previous efforts in each successive portrait.

A second area of particular success was set-piece photography, where the challenge was not one of pushing shoulders with rivals from other newspapers but of thinking his way round technical obstacles. Colleagues recall a picture of Canary Wharf taken from the British Telecom Tower as a technical achievement of the highest quality; and readers will perhaps remember a photograph of the new bridge that forms the Dartford crossing of the Thames, published earlier this month.

Colleagues describe a modest, extremely energetic man, with a mischievous determination that kept him permanently cheerful. He leaves a wife and young daughter; and two older daughters.

ALAN HARPER, who died on Wednesday at the age of 34 in a car accident while on assignment for the FT in Kuwait, was a photographer whose approach to his profession was firmly in an established Fleet Street tradition.

His attitude was that of a no-nonsense craftsman, interested in the best practical picture in the circumstances, rather than as an artist temporarily slumming.

That approach was rooted in his professional background and training. He started his career at a small commercial photographic laboratory before moving to the darkroom of the United Newspapers' London office. The office provided a daily photographic service to the group's newspapers, led by the Yorkshire Post.

From the outset, Alan's aim was to be a photographer for a national daily paper, and he moved to the Financial Times in 1981, again as a darkroom technician.

He revealed an early ability to get the most out of every negative, and displayed a keen interest in all aspects of the photographic craft. It was

(Advertisement)

**Major seeks healthy lifestyle for UK**

By Alan Pike and Emma Tucker

THE DEVELOPMENT of a programme to raise health standards in Britain will dominate discussions between Mr John Major and medical leaders at Chancery, the prime minister's country residence, on Saturday.

Mr William Waldegrave, health secretary, last month announced his intention to set specific targets for reducing the death toll from the main killer diseases. Saturday's meeting will examine ways of achieving the targets and encouraging healthier lifestyles.

Relations between the government and the medical profession developed into outright hostility during the battles over the government's National Health Service reforms, which took effect this month.

The atmosphere has improved since Mr Major became prime minister, and his decision to invite leading

doctors and other health specialists to the Chequers meeting is further evidence of this.

The proposed health targets will contribute to a World Health Organisation international programme designed to reduce health inequalities within and between nations by the year 2000.

Initiatives are running in Wales and some individual British cities, but until now there has been no overall programme for England.

Debates about the causes of health inequalities - which many health promotion specialists believe are strongly linked to economic circumstances - have proved politically controversial in the past. There were indications yesterday that the arguments will be revisited by the government's latest plans.

Mr Robin Cook, the opposition Labour party health spokesman, yesterday circulated a draft of the government's proposals and said they contained no commitment to action by ministers to achieve the targets.

"This document barely acknowledges that people who are poor are more likely to be in poor health, and offers not a single target to reduce the health gap between rich and poor."

The government hopes that its NHS reforms, which have separated the financing of health care from its provision, will encourage purchasing health authorities to determine the health priorities of their populations and allocate resources accordingly.

Many of the lifestyle issues covered by the government's proposed health targets are related to factors like diet and smoking habits.

Mr Michael O'Connor, director of the Coronary Prevention Group, said yesterday that the government would be countering its own aims of improving

the nation's health if it continued to oppose EC proposals to ban cigarette advertising.

The overall health of the British population, measured in terms of mortality rates, is improving but there are still very large regional and local variations. Scotland, for example, has one of the world's worst records for death from heart disease.

Health problems are frequently associated with other social factors like poor housing and, consequently, economic circumstances. Although the explanations for health variations are complex a number of recent studies have argued that there is a powerful link between the quality of health and deprivation. One of these, a study of London in the 1980s, showed that death rates among middle-aged men in the capital's inner-city boroughs were double those of the more affluent outer districts.

From the outset, Alan's aim

was to be a photographer for a national daily paper, and he moved to the Financial Times in 1981, again as a darkroom technician.

He revealed an early ability to get the most out of every negative, and displayed a keen interest in all aspects of the photographic craft. It was

therefore inevitable that time

would bring an increasing number of opportunities to move out of the darkroom.

He became a full-time FT photog-

rapher in 1988.

Alan joined the paper's cam-

era staff at a time when there

was still uncertainty about the

proper role of photographs in

the FT, partly due to the poor

reproduction of the presses at

Bracken House, then close to

the end of their usefulness.

His photographic confidence

and fluency grew along with

that of the paper, helped by the

greatly improved reproduction

of the new press at East

India Dock, opened in 1988. As

scope for imaginative photog-

raphy opened up, Alan was

among the keenest of those

seeking to take advantage of

the new opportunities to print

and display pictures properly.

He was best known, among

his colleagues, for a fascination

with political photography. A

series of memorable pictures of

Mrs Margaret Thatcher, as her

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Information, Communications and Networks

## TECHNOLOGY

## Voice and radar out on cassette

International air traffic control agencies and large European radar system manufacturers are showing interest in a new technique for the continuous recording of radar information and voice communications between pilots and air traffic controllers developed by a small Hampshire-based company.

Walton Radar Systems, with a turnover of \$1m last year, has pioneered a new system integrating voice and radar recordings which has just won its first order from the Canadian defence department. It will be used in military air traffic control at the low-level flight training base at Goose Bay on the Labrador Coast.

The CAA is interested in acquiring the new enhanced system integrating both voice and radar data on the same digital cassette. And Eurocontrol, the Brussels-based air traffic control agency, is also studying the use of the Walton system, especially as a last-minute recorder capable of replaying and locating conversations between pilots and air traffic controllers in the event of an aircraft incident.

Recordings of radar and voice communications are increasingly regarded as providing important data in the investigation of aviation accidents. The CAA has been routinely recording air traffic control radar data for many years.

But the new system enhances continuous radar recording by making it more compact and swifter to replay as well as providing voice recordings.

Walton developed the radar recording technology for the Royal Navy in 1982. It was used during the Falklands war for tactical analysis and planning. The recorders were also used in the Gulf war. But the company sees the civil aviation market offering the biggest potential for its technology.

"Radar recording is becoming recognised as a vital part of air traffic control," says Mike Jones, Walton's chief executive. "But it is a specialised business. Our success has been based on the fact that we have developed systems specifically for the recording of radar data," he explains.

Paul Betts

**I**t was developed in a dustbin in Maine by the Passamaquoddy tribe of American Indians - but it could end by transforming the way the world burns coal. At the very least, it should help make the US a cleaner country.

It is known as the Recovery Scrubber. But this new technology, described by Robert Gentile, US deputy secretary for energy, as "like using crumbs to make a meatloaf", is simple, elegant and potentially revolutionary.

It takes waste material from a manufacturing plant, mixes it with waste gases from the same plant, and recycles it, so that it can be used again. In the process, it cuts waste emissions by more than 90 per cent.

The original design is intended for use in cement plants, but could eventually be used in coal-fired power stations, where waste ash would be used to scrub polluting gases.

"It uses a waste product to clean up the environment," says Gentile. "It is so creative and innovative. And it's simple to install. You don't have to close your plant down to do it, it simply bolts on."

The US department of energy liked the technology so much that it backed its first commercial installation, at the Dragon Products Company cement plant in Maine, with \$6m (£3.5m) of the \$11m total cost. The backing was offered under the Innovative Clean Coal Technology scheme, which awards funds to selected imaginative technologies.

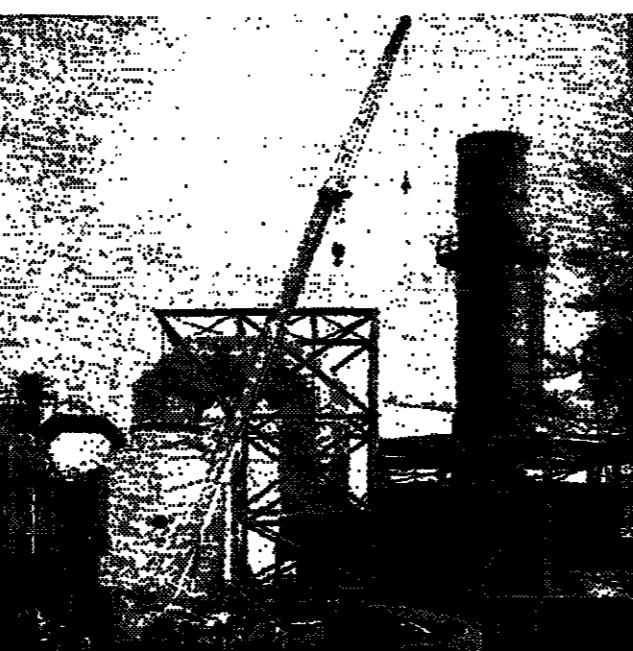
Now, the Recovery Scrubber is poised to spread through the world cement industry - where it has been described as the most significant development in 25 years.

The scrubber not only recycles cement kiln dust - which is expensive and hazardous to dispose of - but it cuts emissions of sulphur dioxide (one of the gases causing acid rain) by more than 90 per cent. It also consumes carbon dioxide, which helps cause global warming. The only waste product is saleable potassium.

It works by mixing the dust with water to form slurry, and then combining the mixture with waste gases from the cement kiln. The carbon diox-

**J**uliet Sychrava describes how a waste recycling system developed by American Indians could help in the fight against pollution

## A tribe of innovators



The Passamaquoddy scrubber gets the dirt out

ide in the gas reacts with the dust in the slurry, giving reusable limestone, while the sulphur dioxide in the gas reacts with potassium in the dust to form potassium sulphate, which can be used as a fertiliser.

While other scrubbing systems exist, they don't have this recycling capacity. Conventional systems introduce a new scrubbing agent, which must be bought, and then release a sludge that has to go to landfill. "What is interesting is that this was developed by an Indian tribe, and it's not a reservation concept. It's commercial and vibrant," says Gentile.

It is also lucrative. The Passamaquoddy Indians of Maine were once among America's poorest people - earning a subsistence living from fishing and farming. But through the project they have earned a commercial reputation and the venture is being used as a case study by the Harvard Business School. The new technology could bring them returns running into millions of dollars.

It all began when the tribe won \$40m in a land claim suit in 1980, explains Tom Tureen, their attorney and now chairman of Passamaquoddy Technology, the company founded to commercialise the scrubber.

After buying one of the largest commercial wild blueberry farms - from which they now market a brand of premium ice cream - they acquired the then loss-making Dragon wet process cement plant in Thomaston, Maine in 1983.

Shortly afterwards, they hired geochemist Garrett Morris to help solve the plant's problems with dust emissions.

He then went on to invent the

### Recovery Scrubber

Within five years, the plant was making an annual profit of \$6m. The tribe then sold it to the Spanish cement consortium, Cementos del Norte, for three times its original price.

With the US department of energy funding, and a further \$600,000 from Cementos del Norte, the tribe was able to carry out a full-scale demonstration of the process, and has since had considerable interest from cement companies worldwide, Tureen explains.

The technology could, he believes, be fitted to coal-fired power stations just as it is to cement plants. "In a coal plant with a high ash content, we would most likely use ash from the plant as an alkaline scrubber, and in the process remove the ash, which could then be used in cement manufacture. You might have to add other alkaline waste, such as wood or paper waste."

"We expect there will be power plant applications where there is a high ash content, or where alkaline waste is available, for instance in Scandinavia because of the pulp and paper plants," says Tureen.

But, he points out, power plants can, under the US system, win environmental credits by investing their own money in fitting the Recovery Scrubber to other, more suitable industrial plants. Under the credit system, as long as a utility contributes to cutting overall emissions, it need not do so on its own site.

"This may be more cost effective and more environmentally sound, because of the zero discharge nature of our system. We don't convert pollution but eliminate it, where scrubbers usually fitted to power stations add carbon dioxide and waste that has to go to landfill."

And at a cost of \$10m-15m for most installations, the

project they have earned a commercial reputation and the venture is being used as a case study by the Harvard Business School

scrubber - which also collects waste particles - is as cheap as conventional rivals.

It could, Tureen claims, play a big part in cleaning up some of the pollution problems in the US. There is, he says, enough waste suitable to feed the scrubber to deal with around a third of the 100 tonnes per year sulphur dioxide reduction required by US legislation introduced in 1990.

### Fraudsters face a fist fight

**FINGERPRINTS** and retina scans have been tipped as two ways of ensuring security and preventing fraud. Now a further "biometric" device has been developed that could prove more effective in maintaining security in financial transactions, such as withdrawing cash from hole-in-the-wall machines.

Veincheck, developed by Cambridge Consultants and the British Technology Group, verifies a person's identity by the pattern on the back of the hand. By passing a clenched fist under a scanning camera for a fraction of a second an infra-red beam can scan the veins and the hand shape and recognise the unique pattern.

This pattern is compared with a digital representation of it stored on a plastic card to verify the identity of the person.

The developers believe the system will be more readily accepted by the public than other more obtrusive biometric equipment. They are now looking for funding to help commercialise the product - a demonstrator machine is now in operation. Veincheck could be incorporated in cash-point machines within two years.

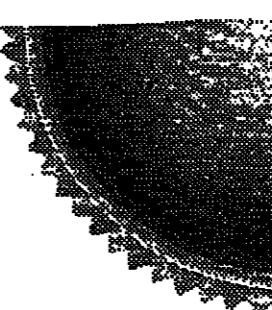
### MacTooth does the filling in

**DENTISTS** are now being offered computer software which can help them keep a graphically coloured computer chart of all the work they do on a patient's teeth - and do away with written records and paperwork.

The MacTooth software, developed by Degree Zero, of London's Harley Street, runs on the Apple Macintosh LC machine. When a new patient joins the practice, the details are recorded on the computer and the receptionist. After that, the dentist records details of treatment by using the mouse.

He or she clicks on to the diagrammatic representation of a particular tooth on the screen and then fills in part of the tooth with a specific colour to represent a treatment. A silver spodge denotes an amalgam filling, while a bright yellow spodge denotes a gold one.

Once the treatment is complete the software translates the colours into codes from which it can generate the



The establishment of the centre is a sign of Elf's efforts to internationalise its research and development activities. At present only 20 per cent of the group's FF4.3bn (£230m) a year R&D budget is spent outside France.

### Sweet way to preserve food

A TYPE of sugar, which has the uncanny ability to preserve meat and plants so that they can be revived to their original state after being dried, has been approved by the UK's Ministry of Agriculture, Fisheries and Food for use in the food industry.

Trehalose is a simple sugar, made up of two glucose molecules stuck together, and is found naturally in yeast.

Food which has had trehalose added to it before drying, from fruit to meat, can remain on the shelf indefinitely. When re-hydrated the food restores its colour, flavour and texture. Even vitamins, such as vitamin A, are retained during the dried phase.

Trehalose has been patented in the UK, US and Europe by biotechnology company Quadrant Research, of Cambridge, which is licensing the use of its patents to large food manufacturers.

### WORTH WATCHING

by Della Bradshaw

patient's bill and other paperwork. The computer also produces a spreadsheet of the practice's accounts for the auditors.

### Shorter road to the Soviet Union

WESTERN companies looking for partners in the Soviet Union often face difficulties in finding the appropriate company or agency with which to join forces.

To help electronics companies in this plight, trade consultancy Ascom, of Espoo, Finland, has compiled a directory of 700 organisations in some 140 Soviet cities.

The directory - USSR Electronics Industry Manufacturing Organisations and Design Centres - contains details of companies such as design bureaux, microelectronics and components companies and industrial automation manufacturers.

A paper copy of the manual plus a disc costs \$395 (£200).

### Elf research crosses channel

Elf Aquitaine, the French oil and chemicals group, is set up a Geosciences Research Centre in London, writes Clive Cookson.

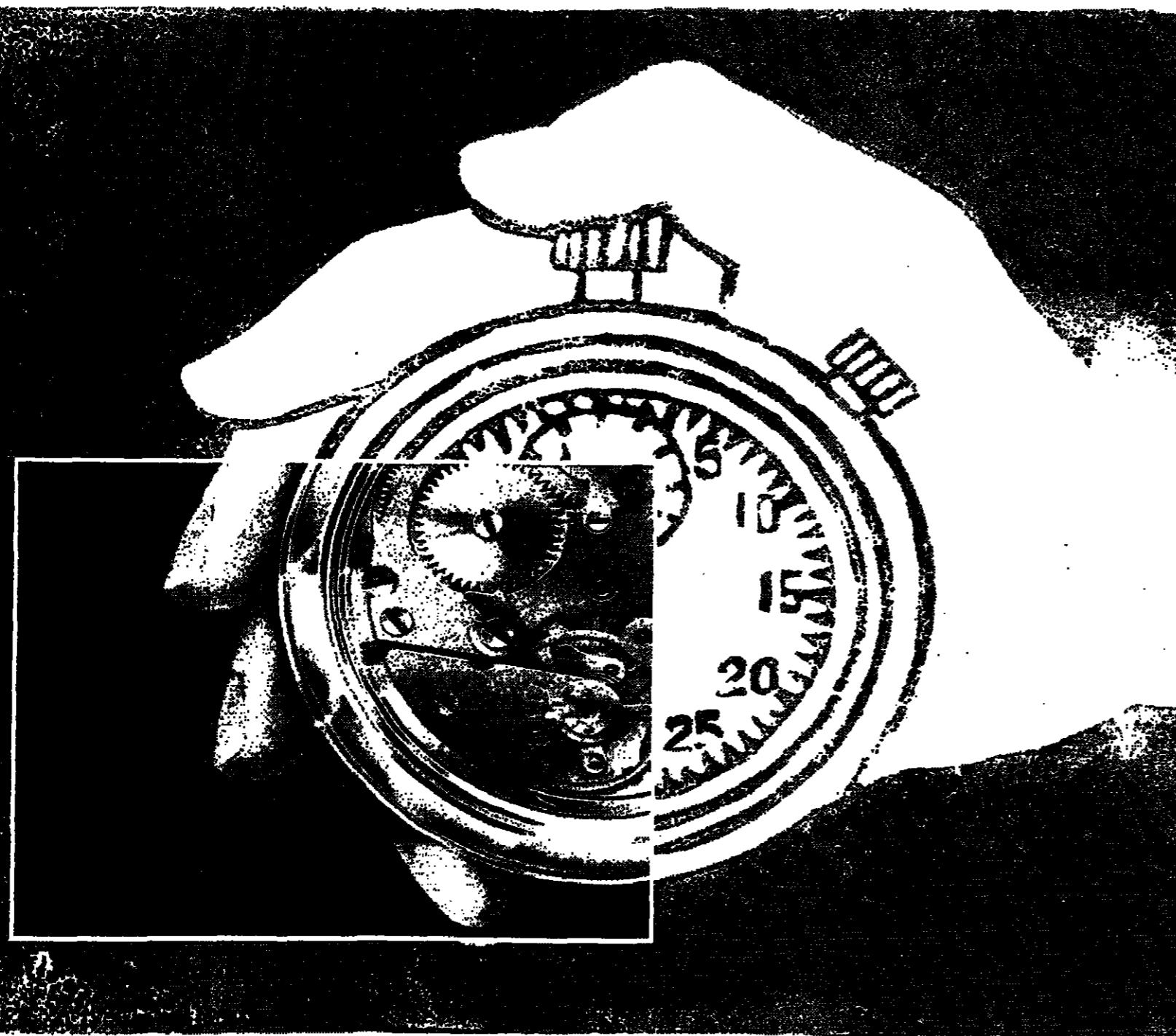
The centre, with 18 researchers, and a budget of £4m a year, will have three related research programmes: geology, seismics and reservoir engineering.

There will be a strong focus on three-dimensional computer modelling, using supercomputers.

Elf says the research will be "open". Olivier Gallion, manager of the centre, will be looking for collaboration from other oil companies operating in the UK and from university geoscientists.

Elf's Cambridge Centre, UK, 0223 422 224, Dept E, Zone 010, 071 482 3184. Ascom, Helsinki, 0 465 087. Elf UK, 021 698 4288. Quadrant Research, UK, 0223 227 703. More, France, 1 49 42 00.

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## THE PROPERTY MARKET

**Birmingham core breaks outwards**

By Paul Cheeseright

**R**osehaugh, whose fall from financial grace has overshadowed what remains an extensive development programme, is talking with the Birmingham City Council about the treatment of 16 acres of land adjacent to the new international convention centre and the national indoor arena, still under construction. This is the Brindleyplace project.

Waterlinks, the joint venture company of Bryant, Douglas, Tarmac and Wimpey, is negotiating with two large office users about the construction of nearly 250,000 sq ft of offices — a big addition to an existing development at Birmingham Heartlands, on the north-east side of the city.

At first glance, these two schemes have nothing to do with each other. The first is next door to a new focal point of the city. The second is part of a scheme to regenerate a rundown district, has received the help of city grant and is the object of a visit today by Mr Michael Heseltine, the environment secretary. But on closer inspection they have elements in common.

The first element is geographical. The schemes are just outside, but at opposite ends of the city centre. They illustrate the way in which the core business district of the

city is breaking outwards. This is partly a planning question: the city council has for some years been seeking to induce greater vibrancy outside an inner ring road. This carriage-way is efficient for through traffic but holds in the city centre like a belt with a sealed buckle and is largely responsible for Birmingham's reputation as a car-crazy city.

So far the private sector has fallen in with the planning aim only to a limited degree. But Brindleyplace and Waterlinks — the latter with abundant land supply — could have the effect of doing for Birmingham what the Rosehaugh-Stanhope-British Rail Property Board development at Broadgate did for the City of London: extend the central business district.

The second common element of Brindleyplace and Waterlinks is that, although they were born in the heady days of surge in property values during the late 1980s, they are projects likely to come to fruition in the next cycle of the property industry, probably during the mid- and late 1990s. But their financing techniques reflect not the debt-led speculative development of the 1980s but the desire to reduce exposure of the early 1990s.

Research by Chesterton, the chartered surveyors, shows that this year more than 1m sq ft of office space will be completed in the city centre. But a high number of pre-lettings

means that only 272,000 sq ft of it will find its way on to the market. However, Chesterton notes that, at the end of 1990, another 19 schemes, totalling 2.4m sq ft, have outline or detailed planning consent which had not been implemented. Whether all these schemes will be built is the subject of some doubt.

Brindleyplace has always been seen as a complement to the convention centre. It was under the control of the ill-fated Merlin group, which persuaded the city council of the advantages of a development which combined the once-fashionable idea of the festival marketplace, with offices and other amenities such as a national aquarium, thought to be a potentially lucrative national tourist attraction.

Merlin moved into a joint venture with Shearwater, in the late 1980s a high-flying Rosehaugh subsidiary specialising in retail. Merlin eventually bowed out. Shearwater was absorbed in Rosehaugh, as the latter sought to control its finances. Rosehaugh has completed the purchase of the land from the city council for £16m and brought in the Terry Farrell partnership to re-work the whole scheme.

This re-working is now the subject of negotiation with the

ham Heartlands. It owed its origins to a belief that private sector expansion would make financially possible the transformation of old factory areas into an office park, a belief given a fillip by the fact that the companies, before the values surge, had quietly assumed control of up to 40 acres of land for a mere £10m.

Rosehaugh envisages a development built around a series of squares with 1m sq ft of offices (up from the 600,000 sq ft planned by Merlin), about 50,000 sq ft of retail (down from the 200,000 sq ft in the Merlin scheme) plus a hotel and a leisure complex, the nature of which remains the subject of talks. Rosehaugh has dropped the idea of an aquarium. So there is much for the city council to ponder.

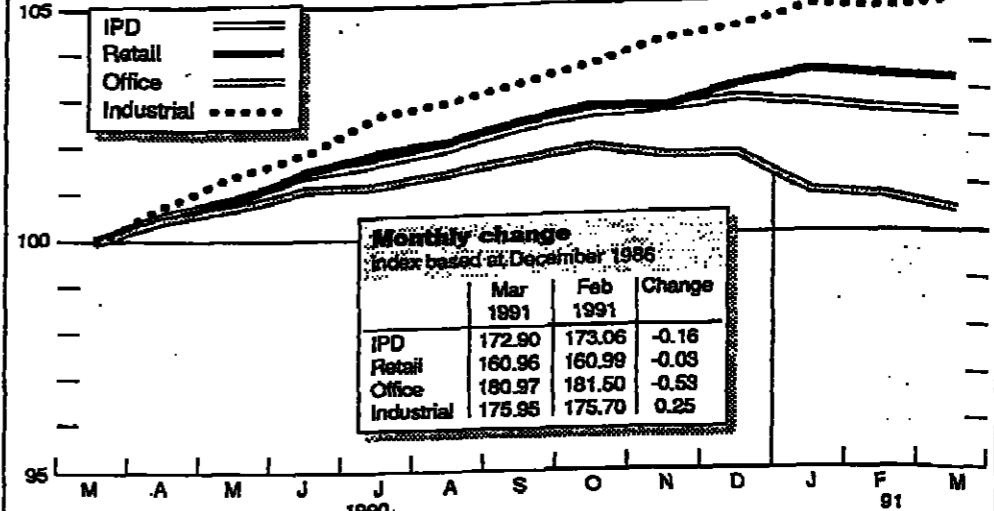
Rosehaugh will move into the first phase on its own account; the rest of the development will be marketed. That is, if there are no customers for the office buildings they will not be built. Cash flow would be helped by selling on the land for the leisure developments.

Likewise, Waterlinks keeps 40,000 sq ft of offices, speculatively built, as stock, but will not undertake large-scale office building without a pre-let or a design-and-build contract. Cancelling is the watchword.

## IPD

monthly index

Total return (peak March 1990 = 100)

**Marginal rise continues**

OVERALL returns showed a marginal improvement for the second month running, according to the Investment Property Databank monthly index.

Although rental and capital growth were both the same as in February, increased income lifted total returns to -0.4 per cent. As a result, returns for the March quarter were higher than those recorded over any of the previous four quarters.

The opposite has been true of rental value growth, with a modest but continued deterioration in each quarter over the last 18 months. Estimated

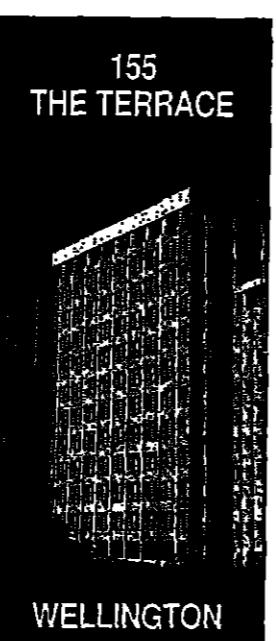
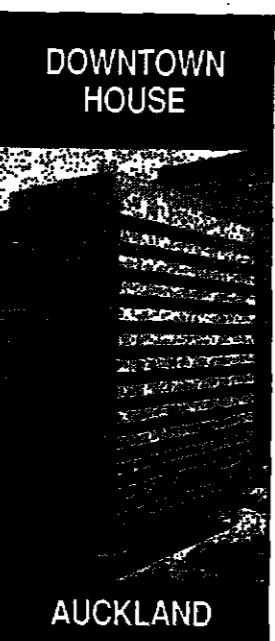
rental value growth was -0.3 per cent in the March quarter.

Annualised total returns fell slightly to -7.9 per cent. Capital growth was -13.6 per cent and rental value growth now stands at a mere 2.5 per cent.

Both the office and industrial sectors recorded a slight improvement in returns, whereas that of the retail sector worsened over the month.

Offices annualised return of -11.1 per cent is lower than that for industrials (-8.7 per cent) and retail (-6.4 per cent). The industrial sector made a zero return in March — a slight improvement on February's results. The March quarterly total return of -0.4 per cent was the best recorded for any sector over the last year.

Vanessa Houlder

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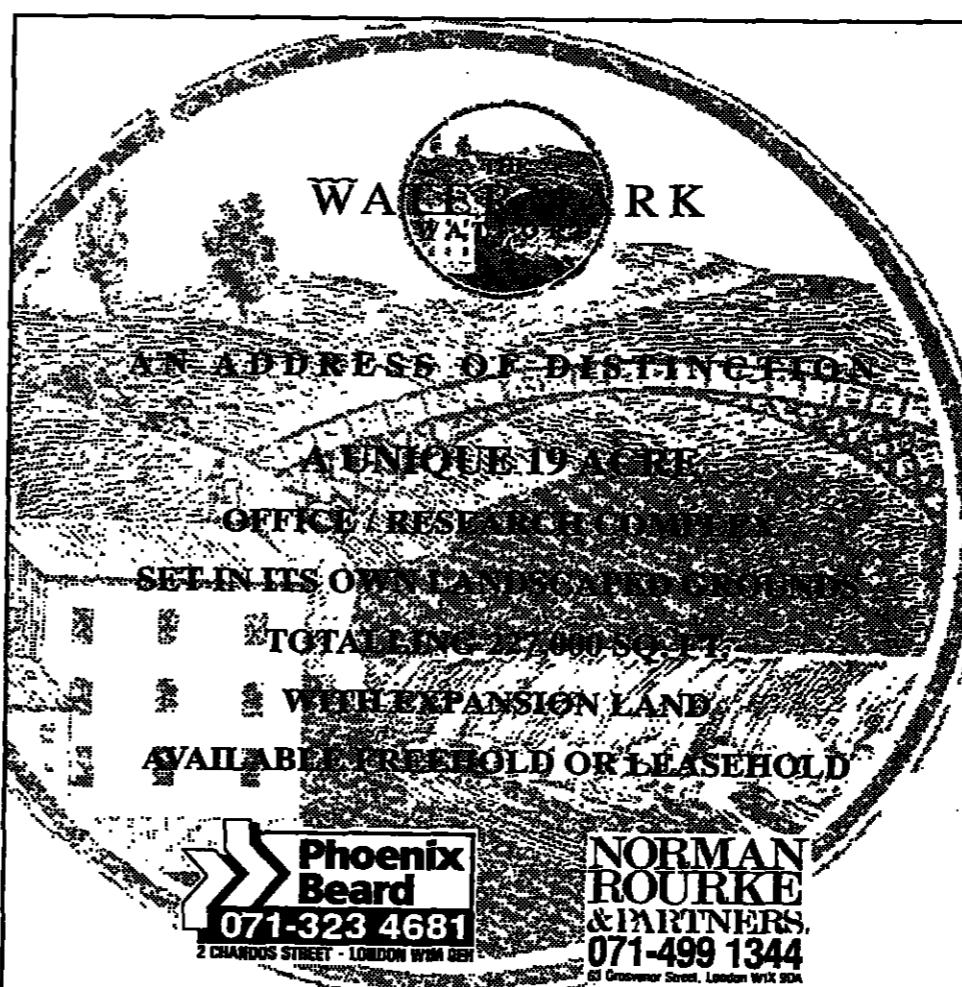
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## MANAGEMENT

**A**l though it is all very well for companies to deny bargaining rights to trade unions when setting up a new plant, but employers which take representative roles away from unions and give them to organisations they have set up themselves are courting serious industrial relations problems. They rarely try it.

Northumbrian Water, which supplies water and treats sewage in the north-east of England, thought the potential rewards were tempting enough for it to make the attempt, although the value of doing so remains to be seen.

For the moment, however, it is remarkable enough that Northumbrian has persuaded the eight unions which represent its 1,200 strong workforce that they should give up the lead role in pay negotiations – and that it has done so with remarkably little public criticism from them.

The process the company and the unions have recently completed falls short of derecognition. None the less it will mean a significant diminution in power at Northumbrian for the eight unions – Nalgo, the GMB, the TGWU, Aper, Ucatt, the BETPU, the AEU and Nupe – which currently represent the company's employees.

Following a recent accord, pay and other matters relating to employees will be determined at a company council consisting of 11 members, four appointed by management and seven elected (indirectly) by the workforce. Although the unions will elect a representative to advise the council, they will not control the selection of the seven employee councillors.

Such a scheme strikes at the heart of trade unionism. It is hard to imagine anything like it being accepted in union strongholds like local government or large engineering companies. Yet the unions at Northumbrian, the largest part of the Northumbrian Water Group, were not an easy target.

The company is, after all, based in the north-east of England, an area where union traditions are strong. Although the company says the proportion of employees in unions has slipped from a peak in 1979 of about 98 per cent, the present figure, 83 per cent, is still above that at many other organisations.

The industrial relations which Northumbrian has experienced in recent years hardly provided a reason for the company's action. True, there was a 31-day strike by manual workers in 1983 but that was part of a national stoppage. National pay bargaining has since been abandoned, following withdrawal by Northumbrian and Thames Water, and at Northumbrian both unions and management believe their relationship since the 1983 strike has been cordial.

What then were Northumbrian's motives? Mike Temple, regional personnel advisor and the man who developed the details of the new system, says that the company did not deliberately set out to weaken the power of the unions, even though he does not deny that that has been the

# Northumbrian takes the steam out of bargaining

**M**ichael Smith reports on the water company's controversial moves to change the role of its eight unions

effect. "What we wanted was a better relationship with our employees."

The change in the role of the unions was not a quantum leap by the company, says Temple, but part of a gradual process of developing more sensible, company-conscious attitudes. "We want to get rid of the them and us attitude," says Temple.

The idea was encapsulated in rather more grand language in a recent message to employees; this said that all employees, whether manual workers or management, were in the same "big team", with common vision, mission and values.

As part of the unifying process, staff have been taken through two-day courses, some of which is designed to inculcate values such as recognising other people's points of view and satisfying customer needs. Team briefings have been introduced to help improve internal communications; team working has been introduced; and the company is gradually bringing in single status conditions by which everyone will work under the same terms of employment, including holidays, sick pay and pension benefits.

Plenty of other companies have adopted similar strategies but Northumbrian saw the way the unions functioned as a barrier to creating the "big team". Temple says: "Trade unions have interests other than the pure success of the company. They each have full-time officers, they each have their own history and prejudices and they each owe loyalties to the TUC and to members outside the company."

At one stage the company considered derecognising all the unions, denying them any role in the company. However, by the time it announced its plans in November, it said it was prepared to recognise one union on the grounds that employees wanted the security of a trade union to represent them. All very well, but none of the unions wanted to relinquish its members at the company.

In the end a compromise was reached by which all eight agreed to act as one in a confederation. The unions thus kept their members but most employees believe union powers at the company were none the less very considerably curtailed.

Since the ending of national bargaining, pay has been determined by a system in which local full-time officers negotiate with the company. Northumbrian says that in future pay



Mike Temple: did not deliberately set out to weaken the unions

will be determined through the company council, advised both by a confederation representative and a representative of an employee association being set up, in part, for non-union members.

The seven company councillors who represent employees will be appointed by members of seven local employee councils who in turn have been elected by the workforce. Issues they will discuss will include health and safety, the role of the business and development, and its performance, research and development, and, of course, pay.

Quite how pay will be determined is unclear. Temple says he hopes that decisions can be arrived at through members arriving at a consensus rather than voting. The decision is then likely to be put to a ballot. What is certain is that pay rises will be determined through the council, rather than through talks with full-time union officers, says Temple.

In spite of the changes, Don Macrae, district officer of Nalgo, with

about 350 members the largest union there, says the agreement is a long way from the derecognition once feared and "in practical terms may not make that much difference".

The unions will have representatives on a standing committee to deal with harmonisation of conditions and Macrae believes this committee could have a significant, possibly decisive, influence on pay determination, particularly in the first year.

The union confederation will have a right to represent members involved in disciplinary procedures and will have safety representatives on each of the seven area councils. Macrae says that the seven company councillors representing employees are also likely to be active union members and that this has proved to be the case so far.

None the less the compromise is far from what the unions would have liked. "It is what we have got and we will make the best of it," says Macrae.

How then did Northumbrian achieve the changes so smoothly? The

unions considered industrial action but it was never a serious proposition. The 1988 strike by manual workers proved that it is not easy to stop water companies doing their business; water still flows even if significant numbers of employees are missing.

Northumbrian also helped itself by preparing the ground for change long in advance. As long ago as February 1988, Sir Michael Straker, the chairman, told employees that eight trade unions was too many. The creation of the company council was hinted at last May when Northumbrian set up the seven area councils. The various steps, and the reasoning behind them, have been explained through such methods as team briefing.

By the time the proposals were announced there were some unlikely converts to the cause among them Malcolm Fraser, president of the company's Nalgo branch.

Fraser, a union activist for many years, has become the chairman of the employee association, which many see as a rival to the unions, but sees no conflict with that and his Nalgo position. He says the company had had problems relating to employees and creating a common purpose because there were so many different unions and bargaining groups.

Union power was always fragmented because there were so many of them and management always had the upper hand in pay talks because of the lack of militancy among employees, he says. "There was more chance of being killed to death by a demon than getting members of Nalgo out on strike."

Fraser believes the new system will give employees "two bites of the cherry" because the employee association will also involve previously unrepresented non-union members.

Among ordinary workers, both white- and blue-collar, there is concern that a loss of union power has been designed to weaken the hand of employees. One Nalgo member, who works in Northumbrian's head office in Plym Me, County Durham, says he would have preferred the company to have modified the bargaining system rather than replace it.

The main worry is that the employees' lead role in pay determination will be played by ordinary workers, unskilled at dealing with management, rather than full-time union officials. "People on the company council are not clever enough to represent us," says Jimmy Metcalfe, a joiner and a member of the Ucatt construction union who has been with the company for 17 years. "The union officials know all the ins and outs. I think pay could suffer." The changes, says Metcalfe, appear to be for the company's benefit "rather than ours."

Comments like that are typical. They demonstrate that the company has some considerable way to go before it succeeds in creating the "big team" which it says is behind the employee representation changes. The challenge is to ensure that the employees are not alienated.

# A Japanese view of competition

**S**imon Holberton reports from last night's Stockton lecture at the LBS

**T**he quest for the secret of Japan's economic success has brought forth an avalanche of scholarly, and not so scholarly, books and articles over the past decade.

As a genre it has been dominated by foreigners.

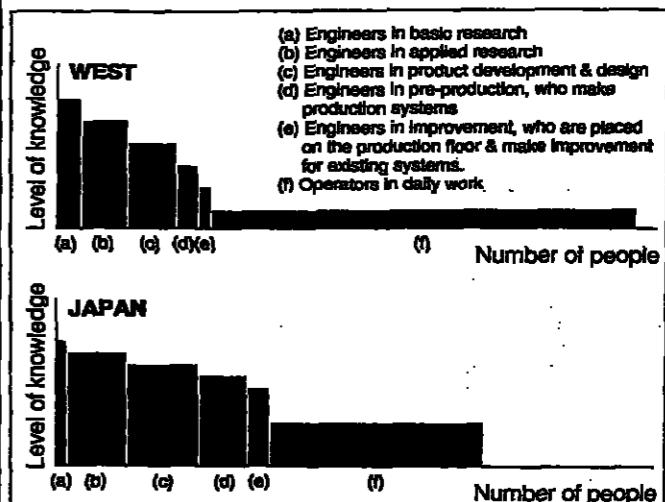
It is salutary, therefore, to hear a Japanese academic of the stature of Professor Hajime Yamashina – until recently chairman of the department of precision engineering at Kyoto University and a man associated with two of Japan's leading business awards, the Production and Maintenance Award and the Deming Prize – putting so little emphasis on Japan's industrial success in terms of its financial system or industrial structure.

Instead, Yamashina is delivering his Stockton lecture at the London Business School last night, located in Japan's industrial strength in competitive manufacturing. Japanese engineers in categories (d) and (e) have been concentrating in three areas: better quality control; higher value-added per person; and, shorter lead times. All are important, especially the latter.

Product variety is now a given condition of competitive firms and, "there has been a growing need for products matching individual persons' circumstances, personality and tastes which eventually leads to customer orientation production, meaning a separate model for every customer".

The Japanese are great namers of trends and epochs. The current one is called "constant period", and it plays to their strengths by emphasising time-based competition and customer-oriented production.

## Relative sources of competitive advantage



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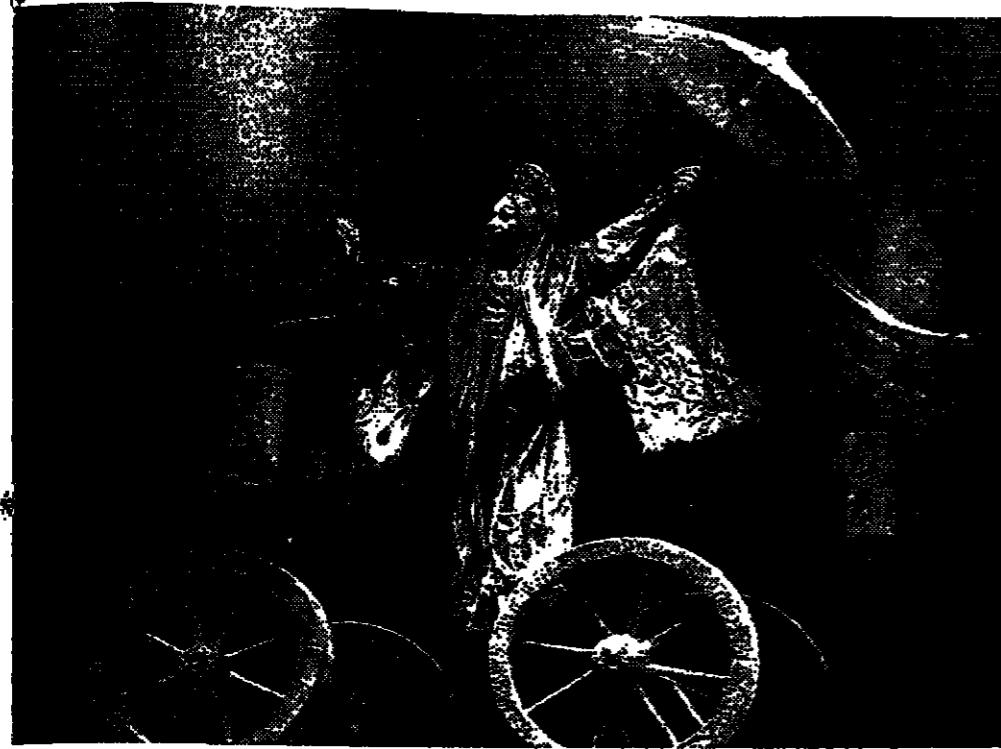
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ARTS PREVIEW & EXHIBITION

Height of the Ballot in London

London's most famous

olding  
tation

Lindsay Kemp: high priest of theatrical camp

## Onnagata

SADLER'S WELLS

Lindsay Kemp, performer and director, high priest of theatrical camp and drag, is back in town; and, despite the passage of the years, he's just the same — a self-indulgent trahsmonger. This time, however, he is occasionally touched by things I never thought he could show — soul, wit, eloquence, talent.

As every FT reader of course knows well, an *onnagata* is a specialist travesty performer, a male member of the Japanese Kabuki theatre who performs only female roles. Kemp takes the idea of the *onnagata* as the premise for what gradually becomes a one-person autobiography, an anthology of Kemp memories. Sounds pretty icky doesn't it? I was dreading it. For over half of *Onnagata*, which is a hundred-minute vehicle for him (no interval), he and his type of theatre revert to their usual kind of dull, incense-laden, narcissistic, tacky mystique. But it is far more forward-moving than most Kemp theatre; and its use of lighting and fabric is often marvellous.

Kemp's manner tends to be a drag-queeny mix of *grande dame* and sentimental *grande*

*horizontalie*. Half of him bravely copes with the arduous of diva-dom, half of him backs in fond memories of being a great star, lover, whore, queen bee, murderess, etc. This persona — which some people find so liberating and liberating — has always struck me as pretty sickly, and I'm grateful for the unwanted dash of fun he occasionally adds here. And I'm held by the way he makes *Onnagata* entirely a personal account. Four other performers keep reappearing, but veiled and garbed in black — "invisible" Bunraku puppet figures.

The best scene — his long initiation and debut as *onnagata* occurs early on. As metaphor, it keeps developing. The puppeteers mask, robe and transform him. (Something of the objective nature of Japanese theatre rubs off on him here.) At one point, he quivers in his robes like a moth; whereupon flames, carried by the "invisible" men, are carried onstage. You see just how the *onnagata* is both frightened and attracted by performing, is both trapped and excited. In the slow fan ritual dance that follows,

Alastair Macaulay

## Compagnie Jean Gaudin

### THE PLACE

The programme leaflet begins, of course, with a meaty quotation from Roland Barthes, and follows it with a message from the mastermind of the evening telling us that it is not the quotation that influenced him but the way of thinking. Yes, it is the French new dance back at The Place — the Compagnie Jean Gaudin — and yes, the heart plummets as the evening gets under way, and *La Dame aux Camélias* is given the rounds of the kitchen.

A few observations from a Pétainist motto *Trouve, Famille, Patrie*. There is a large wooden trellised set, emblazoned (ask not why) with the Pétainist motto *Trouve, Famille, Patrie*. There are played when the chit-chat dies down, and two of the girls suggest the fatalities of *La Vie* by bursting into mocking laughter from time to time. There are references to snuffing cocaine. M. Gaudin's

and taken them off to Heathrow).

There are two men and three women involved: I could identify Marguerite and Armand, but the slightly Spanish girl, and the tall chap in the ill-cut jacket, mauve skirt and sensible shoes, did not really ring true as Dunas characters. There was a great deal of dialogue in French, much of it whispered, all of it of transcendent tendum, with the cove in mauve as chief chatterbox. He had a heavy English accent and kept his hands very busy above his waist and shoulders with ever such graceful gesticulation.

Fragments of a squally Callas recording of *La Traviata* are played when the chit-chat dies down, and two of the girls suggest the fatalities of *La Vie* by bursting into mocking laughter from time to time. There are references to snuffing cocaine. M. Gaudin's

"choreography" is more concerned with production than steps, and is banal.

The evening amounts to a confused, pretentious, ill-conceived and drearily executed gloss on its original, and receives the support of the Association Française d'Action Artistique. It is singularly lacking in artistic action, and I do not find it does any good to the fair name of French contemporary creativity. It is, though, yet another example of the perfectly dreadful things the French are perpetrating under the impression that this is modern dance.

The programme-sheet provides an idiosyncratic translation of the spoken text. The key to the affair reads: "Oh, I feel like an indistinct heap tonight". A heap of what only General Cambronne could tell.

Clement Crisp

## INTERNATIONAL ARTS PREVIEW & EXHIBITIONS

The highlight of the season for the Royal Ballet in London is the world premiere next Thursday of *Cyrano*, David Bintley's first full-length ballet for the company. It is based on Rostand's romantic adventure of Cyrano de Bergerac, telling of the hero's many adventures and his unrequited love for Roxane. A new score has been commissioned from Wilfred Josephs, and the designs are by Hayden Griffin.

Covet Garden also sees an important operatic event — Nuria Espert's new production of Carmen conducted by Zubin Mehta, with Maria Ewing in the title role, Leontine Vedova as Micaela, Luis Lima as Don Jose and Gino Quilico as Escamillo. After tonight's opening, there are performances on Monday and next Friday, and the run continues with cast changes till May 25. The other important opera production of the week is Karl-Ernst and Ursel Hermann's staging of Die Zauberflöte, opening tonight at the Monnaie in Brussels and running till May 19.

The Maggio Musicale in

Florence opens next Friday with a concert performance of Prokofiev's Ivan the Terrible conducted by Myung-Whun Chung. Two days later Bruno Bartoletti conducts Liliana Cavani's new production of Hindemith's Cardillac. The festival, which runs till June 29, includes Jonathan Miller's stagings of Tosca and Così fan tutte, plus concerts conducted by Solti, Sinopoli, Mehta and Muti.

Two highly original productions by the Zurich Opera — Robert Carsen's staging of Lucia di Lammermoor with Edita Gruberova in the title role and the Ponnelli production of Die Entführung aus dem Serail — can be seen at the annual Wiesbaden May Festival (May 1-2). The festival also offers a rare chance to see Halévy's La Juive, in John Dow's powerful Bielefeld production. Other visitors include the Bolshoi Ballet and Armenian National Ballet, and there is a series of German-language libretti performances by leading theatre companies from Munich, Berlin and Zurich.

In New York, the Carnegie Hall centenary celebrations reach a peak next week with a performance of the Tchaikovsky Piano Concerto by Van Cliburn (Wed), a Schnittke world premiere with the Cleveland Orchestra (Thurs), a concert by Jessie Norman and James Levine (Fri) and a marathon star-studded finale on May 5. Also in New York, as part of a Festival of Indonesia, the Museum of Modern Art today begins a two-week survey of cinema in Indonesia since independence in 1950.

### EXHIBITIONS GUIDE

#### AMSTERDAM

Rijksmuseum A Century Apart: 19th century Dutch and French paintings from the museum's own collection. Ends June 30. Also Chinese Painting scroll paintings and album leaves on paper and silk from 16th to 19th century. Ends June 20. Closed Mon.

Van Gogh Museum: Dutch Painting 1880-1950: more than 170 works tracing the artistic reforms pioneered by the generation after the Hague School. Ends May 26. Daily.

Stedelijk Museum: Paintings and drawings 1974-90 by Agnes Martin (b1912), often associated with the New York abstract expressionists. Ends May 12. Daily.

BARCELONA

Fundacio Joan Miró: Sergi Aguilar: sculptures and drawings 1968-91, by an artist often identified with Minimalism. Also Lee Miller: 96 images by the early 20th century American photographer, including work from Surrealist Paris and unpublished photos of Nazi concentration camps. Ends June 16. Closed Mon.

BASLE

Kunstmuseum The Amerbach Cabinet: renaissance books, coins, precious metal vessels,

goldsmiths' casting models and

paintings (including 15 by Holbein the Younger) from the collection of the 16th century Basle patron of the arts Basilius Amerbach. Ends July 21. Closed Tues.

Museum für Gegenwartskunst

Rosemarie Trockel (b1952), 170

drawings illustrating the German

artist's gift for ambivalence and

gentle provocation. Ends June 17. Closed Tues

DUSSELDORF

Kunstmuseum Albrecht Dürer: 50 paintings and drawings 1485-1528, with examples of the German Master's work in Venice and the Netherlands. Ends May 5. Daily.

FRANKFURT

Judaean Museum: From Bauhaus to Friedl Dicker Brandeis (1892-1944), with examples of student work in Vienna and Weimar and children's drawings from the wartime ghetto at Theresienstadt. Ends July 28. Closed Mon.

Stedelijk Museum: Paintings and drawings 1974-90 by Agnes Martin (b1912), often associated with the New York abstract expressionists. Ends May 12. Daily.

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Museum für Gegenwartskunst

Rosemarie Trockel (b1952), 170

drawings illustrating the German

artist's gift for ambivalence and

the Tsars: Russian Art at the Turn of the Century, with 500 exhibits from Soviet galleries. Ends May 14. Daily.

LUGANO

Villa Favaretto Early Italian Art: 120 examples of 14th and early 15th century painting from collections in Switzerland and Liechtenstein, focusing on Gothic and early Renaissance art. Ends June 30. Closed Mon.

LUXEMBOURG

Villa Vauban: Goya: 200 drawings borrowed from the Fundacion Juan March in Madrid. Ends June 3. Closed Tues.

MARTIGNY

Fondation Pierre Gianadda: Chagall in Russia: 40 oils and 150 drawings and watercolours from Soviet museums and private collections, including seven panels of decor for Moscow's Jewish Theatre, previously hidden from public view. Ends June 9. Daily.

MUNICH

Galerie Daniel Malingue Moise Kisling: 111 paintings and four wall tapestries from American and European collections, with examples from all periods in the artist's life. Ends June 30. Daily.

Leibnizhalle Himalayan Gods: 750 works of Tibetan art, largely inspired by the Buddhist faith, from the collection of Gard-Wolfgang Essel. Ends June 2. Closed Mon.

LONDON

Barbican The True North: Canadian Landscape 1890-1939, including landscape paintings by Tom Thomson and the Group of Seven. Also Contemporary Art from Canada, focusing mainly on city and suburban images. Also Art Machine: special art show for children. Ends June 16. Daily.

HAMBURG

Deichtorhallen Himalayan Gods: 750 works of Tibetan art, largely inspired by the Buddhist faith, from the collection of Gard-Wolfgang Essel. Ends June 2. Closed Mon.

NAPLES

San Domenico Maggiore: Choir-book manuscripts 1400-1600: a collection of page leaves, including many unpublished masterpieces, showing how the art of book illumination and decoration flourished in 16th

century monasteries, despite the emergence of the printing press. Ends June 23. Daily.

NEW YORK

Metropolitan Museum of Art: The Sculpture of Indonesia: more than 130 objects from collections around the world, including a life-size stone Buddha as well as ancient Hindu and Buddhist ceremonial pieces and delicate gold figures. Ends Aug 18. Also Eugène Delacroix: 125 paintings, drawings, sketches and prints from North American collections. Ends June 16. Closed Mon.

PARIS

Centre Georges Pompidou Andre Breton (1896-1966): wide-ranging exhibition of paintings, drawings, sculpture, primitive and natural objects, books and photographs, recreating the aesthetic world of one of the leading theorists of Surrealism. Ends Aug 26. Closed Tues.

Galerie Daniel Malingue Moise

Kisling: the Polish-born artist was part of the cosmopolitan Ecole de Paris at the beginning of the century, which turned Montparnasse into the heartland of the avant-garde. Ends July 14. Closed Sun.

Grand Palais Georges Seurat:

to mark the centenary of his death, a retrospective of 180 paintings, studies and drawings, bringing out the contrast between the scientific rigour of the Impressionists and the spontaneity of the Impressionists. Ends August 12. Closed Tues.

Musée Rodin Camille Claudel:

80 sculptures and 20 paintings, engravings and drawings, representing virtually the complete œuvre of Rodin's disciple and

tragic lover. Ends June 20. Closed Mon.

Louvre, Pavillon de Flore Spanish Drawings: Masters of the 16th and 17th centuries, with 157 works from the Louvre collection along with others from major Spanish museums. Ends July 22. Also Joos van Cleve: a collection of paintings which brings out the Italian influences on the early 16th century Flemish painter. Ends May 27. Closed Tues.

London (entry through the Pyramid) Treasures of Saint-Denis. Ends June 17. Closed Tues.

ROTTERDAM

Museum Boymans-van Beuningen Willem Witsen (1860-1923): 60 drawings, mainly landscapes and city views, by one of the most influential figures in Amsterdam's cultural life in the late 19th century. Ends June 30. Also A.R. Penck (b1939): paintings, sculptures, drawings and ceramics from the Visser collections. Ends May 26. Closed Mon.

VENICE

Palazzo Grassi The Cetia: more than 2,200 works from museums around the world, documenting the evolution of the Celtic people from the sixth century BC to the dawn of the Middle Ages. Ends Dec 8. Daily.

WASHINGTON

National Gallery Art for the Nation: 320 works donated for the gallery's 50th anniversary, including works by Cezanne, Toulouse-Lautrec and Bellini. Ends June 16. Daily.

ZURICH

Kunsthaus Modigliani: 55 paintings and 80 sculptures and 20 paintings, engravings and drawings, representing virtually the complete œuvre of Rodin's disciple and

true he remained to his Italian heritage while living in Paris. Ends July 7. Daily.

## ARTS

# Twelfth Night

ROYAL SHAKESPEARE THEATRE, STRATFORD-UPON-AVON

The Royal Shakespeare Company's new production of *Twelfth Night* at Stratford is not very romantic, not very pretty and not particularly funny. It is, nevertheless, riveting to watch and contains one great redeeming grace: there is some regret shown at the end for the way Malvolio has been treated.

The director, Griff Rhys Jones, must have made a fundamental decision at the start. That was to dress the court of Illyria in naval uniform. The decision reduces the romanticism at a stroke. People in uniform walk, behave and even listen to music in a more formal way than others: they do not fall uncontrollably head over heels in love. The result is that Terence Hillier's Orsino has no great passion for Olivia: he is coolly detached throughout.

On the other hand, the approach has its compensations. Since Orsino so rapidly changes his affections at the end, there is no reason to believe that he was much attached to Olivia in the first place. Also, with the naval uniforms comes a relatively austere setting. The colours are darkish: Laura Ashley in sombre mood. The restraint is reflected in the playing. This Sir Toby Belch (Bill Wallis) does not bawl. Even he has been a naval officer in his time, and sometimes wears the uniform to show it. In the late night drinking scene, he is in white tie and tails. The costumes in general are of the late Victorian, early Edwardian period that is currently fashionable in Shakespeare productions.

Much of the comedy stems from the play as a whole rather than from individual characters, though there are some inspired moments. When the law intervenes in the duel scene, Sir Toby does a sword dance on the foals as if that is what he had been doing all along. Olivia (Jane Gurnett) wields

# FINANCIAL TIMES

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Friday April 26 1991

## Walesa's challenge

"AN IRON CURTAIN is descending over the continent." With these celebrated words, delivered in 1946, Winston Churchill recognised the onset of the Cold War and the post-war division of Europe. The curtain remained down for 43 years and then in just a few months was torn asunder. But, as President Lech Walesa of Poland remarked during his visit to the UK, "the political iron curtain should not be replaced by a silver curtain of indifference". For so long victims of the Soviet determination to keep them in, the peoples of eastern and central Europe now be victims of the European Community's wish to keep them out?

No people struggled to tear down the curtain as bravely as the Poles. Lech Walesa is the symbol of a victorious struggle in which, as he says, "the peaceful overthrow of communism in Poland changed the visage of the continent and paved the way back for other countries of central and eastern Europe to the family of free nations".

Like other post-communist countries, Poland puts its relations with the European Community at the heart of foreign policy. It wants political and economic reform. It regards membership as the main safeguard for its democratic and liberal model as the chief stimulus to its economy. Yet the leaders of the European Community seem to regard what the Polish government refers to as "giving Europe back to Poland and Poland to Europe" as at least an embarrassment, if not a nuisance.

### Liberal trade

True, EC foreign ministers have now accepted that membership may figure in the preamble to the prospective association agreement as "an ultimate, though not an automatic" goal. EC members have also consented to a 50 per cent reduction in Poland's external debt. However welcome, these concessions are not enough. Poland needs more than promises for the distant future; it needs more than debt forgiveness; and it needs more than aid. Poland needs liberal trade.

Poland seeks free trade area with the EC, for essentially all products, one that

would ensure stability of market access for Polish exports (about half of which already go to the EC) and would also enable Poland to maintain the open import system it now enjoys.

### Market access

Liberal access to EC markets matters to Poland for four reasons: first, the EC is already by far Poland's most important trading partner and, with the virtually complete collapse of exports to the Soviet Union, its significance must grow; second, greater outward orientation is an essential element in the reform of the Polish economy; third, rapid growth of exports is a necessary condition for service of debt and attraction of new capital; and finally, liberal access to EC markets is the only way that the Polish government can persuade its people to tolerate liberalisation at home.

At present Poland's exports of agricultural commodities, of textiles and clothing and of steel, which account for about half its exports to the EC, are under various kinds of restraint. Those restraints did not prevent Poland from achieving rapid growth of exports last year, but are bound to limit Poland's long-term capacity to exploit its comparative advantage.

The problem for the EC is that it is committed to offering asymmetric advantages to Poland, but finds that Poland's trade regime is more liberal than its own. How difficult EC negotiators must find it to deal with a country that embraces both the EC and liberal trade! Unfortunately, the EC's response seems to be to recommend more protection to Poland rather than embrace more liberalism for itself.

The leaders of the EC must raise their gaze from their collective navel, from butter mountains and farmers' votes and even from inter-governmental conferences. They can choose to create something that has never before existed: a Europe whole, peaceful and prosperous; or they will bear responsibility for Latin American-style chaos and instability on their eastern borders. President Walesa has thrown down the challenge. Dare European leaders not pick it up?

## Changing the constitution

CONSTITUTIONAL reform is an ugly phrase. It conjures up instability and militant minorities; and its apologists are branded as naïve and out of touch with the great majority satisfied with their governance. Yet such fears and stereotypes are increasingly misplaced. Demands for reform of the governmental system are growing and many are well-founded. It is time they were treated with more respect in Westminster and Whitehall.

The publication of Mori's "state of the nation" poll for the most extensive of its kind for a decade, reveals deep dissatisfaction. Large minorities believe that power is too centralised, that devolution is too weak and that civil liberties are inadequately protected. Support for electoral reform, referendums, a bill of rights, an elected House of Lords and fixed-term parliaments is accordingly strong. Barely one-third of voters are broadly satisfied with the way they are governed, compared with 48 per cent in strike-bound 1973.

It is not just a question of poll figures. Britain's economic and social predicament cannot be divorced from its political structure. Historically, that structure has served Britain well, and its strengths – parliament foremost among them – should be nurtured. But Victorian notions of the unitary state, parliamentary sovereignty and the rule of law are no longer the last words on constitutional evolution. Most of our European partners have gone well beyond them: we should learn from their experience, particularly that of the Federal Republic of Germany, and not pretend that Britain is a world apart, incapable of constitutional improvement.

### External pressures

Yet even if the main parties keep up the pretence, external pressures will intrude before long – three in particular.

First, the "Scottish question" is assuming ever larger proportions. Mori found 51 per cent of Scots supporting devolution or greater autonomy, with a further third favouring outright independence. The Scottish constitutional convention – which includes Labour and the Liberal Democrats – is already championing far-reaching

*The whole map of Europe has been changed... But as the deluge subsides and the waters fall short, we see the dry steeple of Fermanagh and Tyrone emerging once again. The integrity of their quarrel is one of the few institutions that has been unaltered in the cataclysm which has swept the world.* – Winston Churchill, after the first world war in 1922.

**J**ohn O'Hara, a 42-year-old Roman Catholic taxi driver, did not know he was part of a grotesque overture to historic talks on Northern Ireland's future as he drove to collect a fare in south Belfast last week.

Hours earlier loyalist paramilitaries had announced the suspension of "operational hostilities" once talks started. There was a whiff of hope in the province, as if light had crept beneath the smog of dead sectarian hatred which has engulfed Northern Ireland for generations.

But as Mr O'Hara strolled near the Lisburn Road, masked gunmen opened fire. He had become the fifth taxi driver to be murdered in the province in six months, another grim statistic from more than 20 years of the "Troubles".

Next Tuesday, Mr Peter Brooke, the Northern Ireland secretary, opens a series of round-table talks involving the province's political parties, the Irish and UK governments. Just reaching agreement to talk took more than a year. It will be prefaced with a meeting of British and Irish ministers in London today.

For the first time in at least 15 years, political leaders are to sit down and discuss shared problems. The killing will not stop. Men with guns still walk the streets. But given the tortured politics of Northern Ireland, the very fact that political leaders are talking is an achievement in itself.

Over the next 10 weeks, connecting pre-conditions and aspirations will be jiggled and rejigged in the hope that enough of them can be agreed to secure a lasting settlement. Mr Brooke himself admits the possibility of failure, saying the obstacles to be overcome may be too great "to be solved in the limited time-frame we have given ourselves".

He has addressed, in the lexicon of the province's politicians, "the totality of relationships" within the British Isles. That covers a devolved government in the province itself, relations with the south, and between London and Dublin. Talks will start with bilateral meetings, then move to internal government in the province, before turning to the wider relationships such as the Anglo-Irish axis.

At the crux are two basic questions. How, and by whom, is Northern Ireland to be run? And what is its relationship with the rest of the British Isles? Ultimately the test will be whether shared disillusionment across the two communities, allied with political intransigence, will be sufficient to overcome decades of mistrust.

But how the agenda will unfold is as clear as Irish mist. Diametrically opposed views have to be accommodated. Many old guard have to be forgotten. Northern Ireland remains a black spot of terrorism and non-representative government in an increasingly barter-free Europe.

Mr John Hume, leader of the mainly Roman Catholic Social Democratic and Labour party, the Rev Ian Paisley and Mr James Molyneaux, the unionist leaders, have been sporting partners for more than 20 years. Some in Northern Ireland fear progress will come only when the old guard has been replaced.

Sinn Fein, the Irish Republican Army's political wing, along with loyalist paramilitaries, has been excluded from the talks – partly because the government is adamant that no concession must be given to terrorists, partly because the main political parties could never be persuaded to sit at the same table.

including her own supporters. Subsequently, Mrs Thatcher appeared frustrated with the whole issue, seeing Northern Ireland in terms of security. Mr Major's relative ignorance is almost an asset. His instinct, according to one senior official is, as on Europe, "to get in there and negotiate". He is prepared to listen.

Although the government in London hopes the talks will help break the cycle of violence, the security dilemma will still exist. There are now more than 16,000 army troops in the province. Army action, including house-to-house searches, alienates

Ulster's tribal enemies are about to discuss their shared problems for the first time in 15 years. Ralph Atkins and Kieran Cooke report

## A break in the Irish mist



Engaging in talks together is an achievement in itself: John Hume, James Molyneaux and Ian Paisley

Yet, despite the justifiable qualifications, the latest initiative has, perhaps, a better chance of success than the many plans littering Northern Ireland's recent history. Signs of a change of mood are evident.

At least in part, it reflects weariness. In 22 years of "the Troubles", 2,872 people have been killed in Northern Ireland, the overwhelming majority of them civilians.

Dominating the province's recent politics has been the 1985 Anglo-Irish agreement – a pact which, when signed, led to fiery protests by unionists at the prominent role it allotted Dublin in the affairs of the province. Effigies of Mrs Margaret Thatcher were burned outside Belfast City Hall. Unionists refused to meet government ministers.

Now unionists are prepared to negotiate, and the two sides have responded to a change of mood among their followers. They realise that many – particularly the young – no longer accept the old battle cries of "no surrender" and "Dublin rule is Bonaparte rule".

There is an urgency among all parties to solve at least some of Northern Ireland's problems against the backdrop of a Europe striving for greater convergence. The province cannot afford to become fossilised in its ancient quarrels. There must be proper political representation.

Attitudes in London, too, are changing. Mr John Major does not have the same convictions about Ulster as Mrs Thatcher, who helped forge the 1985 agreement, only to be taken aback at the scale of protest from unionists –

including some successes have been palpable. Ten schools, out of 450 in the province, take both Protestant and Catholic children – compared with just one a decade ago. Jobs have been created in the worst ghettos of Belfast and Londonderry. The new Fair Employment Commission has exposed companies where Protestants or Catholics have a disproportionate share of jobs. But, given the starkness of sectarian division only the edges have been chipped away.

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Mr Charles Haughey, the Irish Republic's prime minister, has talked of the need "to chart a new path which will soften and eventually eliminate the divisions of the past on this island". Dublin is willing to contemplate a new arrangement that would "transcend" the 1985 pact and possibly remove articles two and three from the Irish constitution which lay claim to Northern Ireland.

Dublin is aware of changes in its own politics. Half the Irish population is under 25 and does not carry the emotional baggage associated with a unified Ireland. A visitor to the republic might be surprised at the public indifference to these talks or to the wider problems of Northern Ireland.

But the sub-text of Irish policy is that the achievement of some form of unitary state, Mr Haughey has spoken of the need to persuade "our unionist

future – 10 days after it was launched.

Walworth Road officers are on the defensive, but admit it is an embarrassment. "We had enough copies to give out to the press at the launch," they say. Unfortunately, it turns out, in their zeal for publicity they handed the media every single copy there was.

However, the text is back with the printers and fresh supplies are expected any day now. Labour hardliners will be relieved to hear that the printers who produced the copious invitations to Labour's £500-a-head dinner at the Hyde Park hotel are not implicated in the delay.

### Big wheels

■ When is a business school not a business school? When it's Ford Motor's UK finance department, judging by a reunion London's Savile club last night.

Guests included Sir Alan Shepard, chairman of GrandMet; Sir Colin Barker, chairman of British Technology Group; Sir David Berryman, chairman of North East Thames Health Authority, and Sir John Sparrow, chairman of the Horse Race Betting & Levy Board.

Along with a bevy of finance directors from companies like GKN and Amstrad, all began their careers under John Barber, Ford's finance director up to 1988.

When he arrived from the civil service in 1955, Ford's finance department was full of little men in green eye shades. Barber changed that and went on a hiring binge. It was a period when financial analysis was in the ascendance and Ford became a prime training ground, much as Procter and Gamble was for marketing.

### Nice try

■ Pay your taxes with a smile, said a neighbourhood poster.

We tried, but they insisted on cash.

countrymen that their future lies with us". This view is shared by the SDLP. Again, the unionists are seen as the main problem. In the SDLP view, the central relationship, the one that goes to the heart of the matter, is the unionist people's relationship with the rest of this island, or rather their distrust of the rest of this island," says Mr Hume.

During her election campaign last year, Mrs Mary Robinson, Ireland's president, talked of the need for the republic to "reach out" to unionists. But while Mrs Robinson might talk of reconciliation, she has few constitutional powers and very little influence on the direction of policy. For their part, the unionists have not rushed to embrace Mrs Robinson.

Underlying the unionists' position is an assumption that the Irish Republic's claim on Northern Ireland has to be dropped. From Mr Brooke, they have won an assurance that the province will remain part of the UK as long as a majority of its population want it.

After that, unionists seek as top priority renegotiation of the Anglo-Irish agreement, a pact which forced the majority community to realise it could not take sympathetic government from Westminster for granted.

Unionists are prepared to contemplate a replacement agreement, insisting that they are committed to good relations with the south. But they argue Ireland's influence must be no more than that of any other "foreign government".

That leaves scope for textual haggle. Giving Dublin the right to be consulted on the affairs of the province would not be acceptable. Dublin currently has the right to put forward its views through the Maryfield secretary outside Belfast. A right to make representations to the British government, with a consulate in Belfast, might succeed.

On the question of a devolved government there is more of a muddle. Mr Molyneaux favours a devolved administration fitting "snugly" into the British parliamentary system – suggesting he wants little more than a enhanced "county council" system.

Mr Paisley backs full-blown legislative devolution along the lines of the former Stormont parliament. He rejects the concept of a "power-sharing executive", believing it did not work under the 1973 Sunningdale agreement, an early attempt to give the Roman Catholic community a voice in government, and would give disproportionate power to the minority community.

But, perhaps influenced by the younger generation within the party, most noticeably Mr Peter Robinson, deputy leader, Mr Paisley's Democratic Unionist party is anxious to look for new schemes for sharing executive responsibility. There is no expectation of a return to strict majority rule.

What shape then, in an ideal world, might an agreement take if talks were to succeed? They would almost certainly be a new Northern Ireland "government", subordinate to Westminster and Dublin, in which the voices of unionism and nationalism were carefully proportioned.

The replacement Anglo-Irish agreement would build on a willingness among the peoples of north and south to be "good neighbours" while accommodating both nationalist and unionist aspirations.

It is a tall order indeed. Most critically, any deal will depend on mutual understanding – a sparse commodity in the province. There is no guide to how the talks will evolve over coming weeks. Northern Ireland officials describe them as "organic".

All parties know they have an opportunity to show progress can be achieved by discussion and not, as the IRA and the loyalist paramilitaries would have it, by violence. It is a no-risk business. If there is no success then the grim and utterly predictable likelihood is more violence.

## OBSERVER



MANCHESTER BANK

### Timely

■ Imagine Poland is hosting the year the first of what are intended to be biannual lectures of international renown. The Paolo Baffi Lecture on Money and Finance has been created to commemorate one of Italy's most illustrious central bank governors.

Baffi's death last year recalled, among other things, his extraordinary courage in standing up to politicians who at one time appeared ready to condemn him to prison because of the Bank's prying into the affairs of Banco Ambrosiano. Known as the priest's bank because of its links with the Vatican, Ambro-

### Fall out

■ While drowning his redundancy with City colleagues, a banker sacked by NatWest gave what may become a trdition on such occasions.

Reminding the old saw that whoever catches the bride's bouquet will be next to the altar, he took his drossen envelope out of his pocket and tossed it into the crowd.

### Policy gap

■ It would be difficult for the Labour Party to lose its reputation for being "never knowingly underlaunched".

The volume of glossy manifestos and slick press conferences has intensified even though media-relations guru Peter Mandelson has departed from headquarters in London's Walworth Road.

But the promotional machine is running a bit ragged. The reason is that the general public still can't obtain the new policy document.

Opportunity Britain –

younger sibling of Meet the Challenge and Looking to the

Future

Future

Future

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Future

Five years after the Chernobyl nuclear power station disaster in the Soviet Union, nuclear power remains the controversial fuel of choice.

As a nuclear expert like Mr Jean-Claude Charrault, head of the nuclear division at the European Commission, about the future and the prospects appear rosy: "Nuclear energy is beginning a new phase. For the next century, the nuclear option will remain impossible to do without."

But as an equally informed commentator like Mr Steve Thomas, nuclear expert at Sussex University's science policy research unit, sees the emphasis is different: "With existing technologies, nuclear power is already on a path of slow but inexorable decline. World capacity is at or very near a peak it may never exceed."

A similar polarization of views occurs whenever two or more nuclear pundits are gathered together. Over the past year, however, there has been one change: nuclear enthusiasts say they detect the first tentative signs of a revival, particularly in Europe, as memories of Chernobyl fade.

On the face of it, the evidence to support this claim is thin. Nuclear power station construction remains at a very low ebb. Only two new nuclear plants began operating in Europe last year, Penly in France and Neckarwestheim, the last remaining order in Germany. France and the UK are alone in western Europe in having nuclear stations under construction.

Yet some recent developments have given hope to the still powerful nuclear lobby.

Sweden, boasting the world's largest nuclear power output per head, has reversed the decline made in 1988 to begin phasing out nuclear power from 1995. Facing the prospect of an energy shortfall, many observers now expect Sweden's 12 nuclear power plants to complete their natural lives.

In a referendum last September, 53 per cent of Swiss voters opposed the abandonment of nuclear power, though an almost equal number supported a 10-year moratorium on licensing new facilities.

The industry also hopes that the government elected in Finland in March will give the go-ahead for a fifth nuclear reactor. It detects signs of a re-think among politicians in Italy, where there has been a moratorium on nuclear power since a referendum in 1987.

More important still are indications that east European countries will not abandon nuclear power despite Chernobyl. Political liberalisation has, however, led to a reappraisal

of the Soviet-designed reactors, many of which fall far short of western standards. The five nuclear stations operating at the start of 1990 in east Germany, for instance, were all closed down for safety reasons.

But east Europe has an equally pressing environmental problem – its over-reliance on hugely polluting coal-fired stations. Some countries may jump for nuclear reactors as a partial solution. Czechoslovakia has signed separate agreements with the French and with Westinghouse of the US, both aimed at developing its nuclear industry, which accounts for 28 per cent of its electricity generation. Bayenwerk, PreussenElektra and RWE, the three main German utilities, have plans to build modern nuclear reactors at the east German sites of Greifswald and Stendal, which housed Soviet-designed plant.

If these are the seeds of hope for the industry, there is still plenty to worry about. Six small European countries – Austria, Denmark, Greece, Ireland, Norway and Portugal – have no nuclear power and show no signs of wanting it.

Attempts to expand the industry in Spain have run into the brick wall of socialist government disapproval and public distrust following a serious fire at the Vandelllos reactor in 1989. Environmental opponents are still active, notably in Germany, where some nuclear stations have been shut down following successful challenges to their operating licences in the courts. In all the struggles between the industry and its opponents, three issues tend to dominate:

- Political support. Some governments in western Europe are trying to rebuild public confidence in nuclear power. One example was a strongly worded statement backing nuclear's revival issued last month by Belgium, Britain, France and Germany.

- Environment. In a neat reversal of roles, the nuclear industry and its government supporters are fooling themselves when they detect the beginnings of a public groundswell behind nuclear power again.

- Costs. Two events have focused concern on the cost question. The first was Chernobyl itself, since it led governments and utilities to ponder the huge potential liabilities if a nuclear disaster occurred in a democratic country.

The second was the UK government's botched attempt to privatise its nuclear industry.

The cold eye turned by the financial community on nuclear's costs revealed as misleading its repeated claims to be supplying cheap power.

Even Nuclear Electric, the state-owned nuclear operator in England and Wales, now



Source: Forum, European Commission, Department of Energy

well nuclear station. The next most important factor, since the Labour party opposes more stations after Sizewell.

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the industry and its government supporters are fooling themselves when they detect the beginnings of a public groundswell behind nuclear power again.

"They are under-estimating, the public sentiment against nuclear power and, two, the degree to which the organisation of the environmental movement has improved incredibly in the last few years," says Mr John Willis, nuclear power co-ordinator at Amsterdam-based Greenpeace International.

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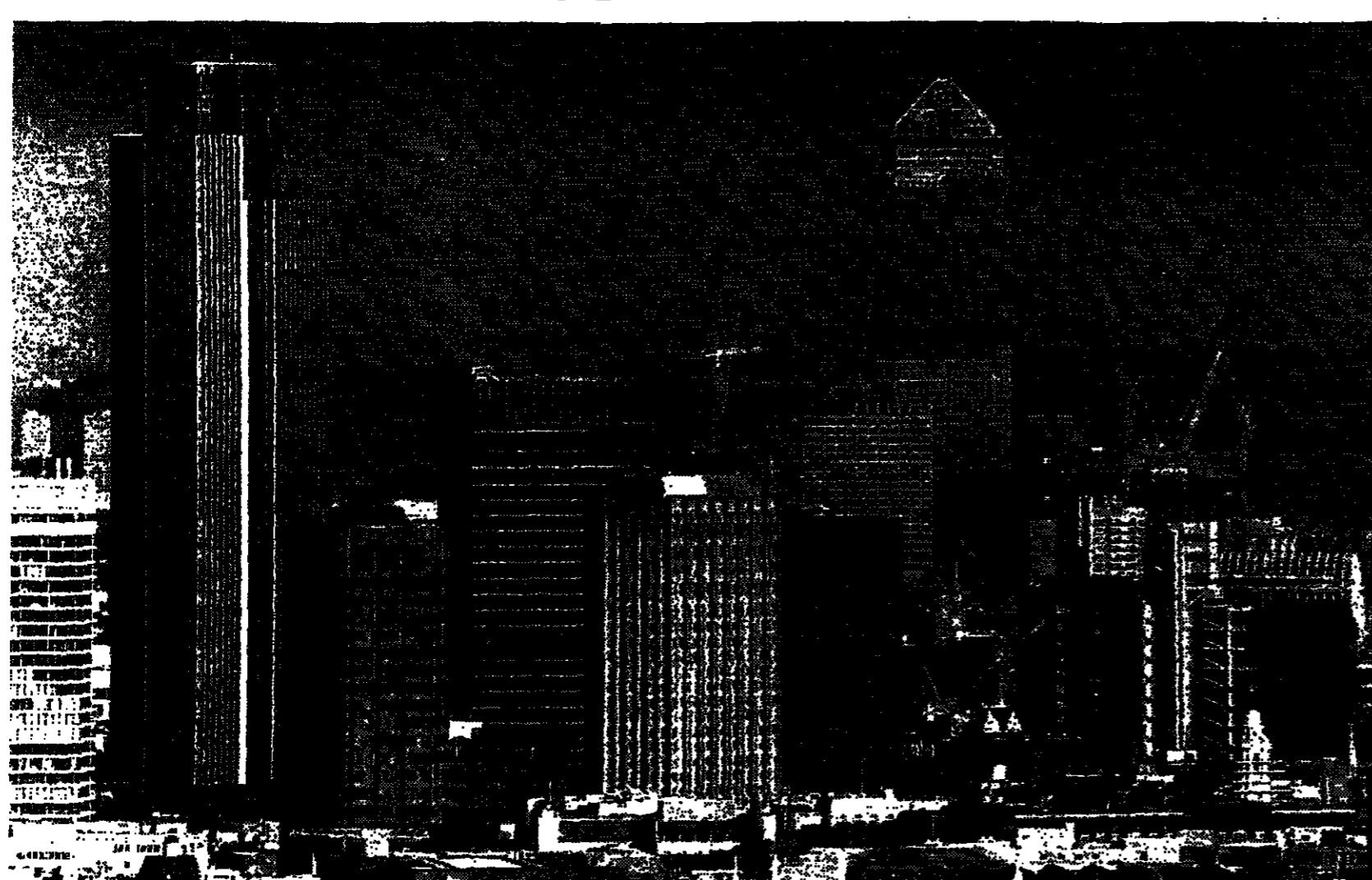
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# FINANCIAL TIMES

Friday April 26 1991



A photograph taken by Alan Harper, Financial Times staff photographer, of London's skyline including the development at Canary Wharf in the Docklands area of the city. The picture was taken from the British Telecom tower some four miles away and was considered a technical achievement of high quality. Alan Harper died on Wednesday in an accident while on assignment in Kuwait. Obituary, Page 11

## COMMISSION RAIDS OFFICES

### Brussels warns of cartel crackdown

By David Buchan and David Gardner in Brussels and John Thornehill in London

THE European Commission warned yesterday of a crackdown on cartels following this week's raids on the offices of 15 carton-board-making companies.

"We're getting tougher all the time," said a senior EC official, adding that it was a priority of Sir Leon Brittan, the competition commissioner, that "we should be on the lookout for cartel activities".

Officials from the Brussels competition directorate, accompanied by national officials, made unannounced visits on Tuesday and Wednesday to 15 companies, several of them subsidiaries of non-EC companies such as Stora of Sweden, Cascades of Canada and Mayr-Melnhof of Austria, and took away documents.

The investigation follows an allegation by the British Printing Industries Federation

(BPIF) that producers of carton-board were concerting price rises, contrary to the Treaty of Rome.

"We are sifting through the evidence, but there's nothing at the moment that would lead us to widen our investigation beyond carton-board," said the EC official.

The BPIF wrote to the Commission on November 22 listing 23 occasions on which it said its members had been faced with seemingly concerted price rises of about £40 (£88) per tonne. The supplying companies were in the UK, France, Switzerland and the Netherlands.

The similar dates of the notification of the price rises – from mid-September to mid-October – and the similar dates of the implementation of those rises – in the first week of January – raised the federal

Commission's action "because I thought the market was OK".

"Although we must accept that certain factors relevant to board producers are common... we do not believe that the overall impact of all the various factors is so uniform that the prices should rise by virtually identical amounts at virtually the same time."

Backing for the UK complaint came from the Fédération Française de Cartonnage, which said yesterday it had received inquiries from the Commission officials last December. "We told them that for the past 2½ years, producers have been announcing identical price rises at the same time."

By contrast, Mr Volkmar Wulf, director of the Frankfurt-based international paper and carton association, CTPA, said he was "astonished" by the

### Recession worries put £ under pressure

By Rachel Johnson in London

STERLING came under selling pressure early yesterday as investors took profits in case the currency should succumb to the strong dollar and domestic worries.

A big sell order from the Far East and growing concern that the UK recession is lengthening conspired to push the pound briefly from third to ninth place in the European exchange rate mechanism grid.

Until yesterday, the pound had been resilient in the face of the dollar's surge on the foreign exchanges.

The pronounced weakness of the D-Mark enabled sterling to hold its position in the ERM.

In the latest session, however, the pound was driven to a low of DM2.9488 – against its previous close of DM2.9725 – before finishing 1.25 pence off on the day at DM2.96. At this level, sterling was back in its place as third strongest currency in the ERM.

It closed almost unchanged against the dollar at \$1.6940. Rumours that the Bank of England had stepped in to support the pound were treated with scepticism by traders.

Mr Paul Chertkow, currency strategist at Citibank, the US bank, said the pound had mainly suffered as a result of technical profit-taking yesterday.

But the growing evidence that the UK economic recovery would not come as soon or be as strong as had been forecast was also undermining the pound.

This week's claim by the director general of British Industry, the employers' organisation, that some parts of UK manufacturing were in "slump" came after the government had announced record rises in unemployment and large falls in industrial output.

The news prompted renewed calls for lower interest rates to stimulate the economy, which are weakening the pound on the foreign exchanges.

However, the government has said there must be a "pause" in its efforts to lower borrowing costs, to allow sterling to settle down after the bank base rate had been progressively cut to 12 per cent from 14 per cent in mid-February.

A political risk has also attached to sterling ahead of local government elections in England and Wales next Thursday.

Should the Conservative party do badly, foreign exchange traders expect sterling to fall below its DM2.95 central ERM rate.

Currencies, Page 44

### Warning over UK public spending reserve

By Philip Stephens, Political Editor, in London

MORE THAN half of the UK Treasury's £3bn (£5.07bn) public spending contingency reserve has been wiped out within just three weeks of the start of the current financial year because of rising unemployment and high public sector pay deals.

The trend has prompted warnings in Whitehall that the depth of the recession threatens a significant overshoot in the £5bn government deficit forecast by Mr Norman Lamont, Chancellor of the Exchequer, in his March budget.

The economy continued to dominate Westminster yesterday with Mr Neil Kinnock, opposition Labour party leader, citing a report by an all-party committee of MPs which accused the government of reacting too slowly to the recession.

Mr John Major, prime minister, insisted that falling inflation and interest rates signalled an early recovery, but it

is acknowledged privately that the government may be dogged in the immediate future by rising jobless totals.

Senior ministers are voicing concern that key public spending programmes, notably health and education, face a financial squeeze just as the government is pledging an improvement in services in the run-up to the general election.

The Treasury has signalled the start of negotiations covering next year's spending with a lengthy warning to every Whitehall department that it will be seeking considerable savings elsewhere to offset the cost of higher unemployment.

The £205bn spending target for the 1991-92 financial year which started on April 1 includes a £2bn reserve for unforeseen expenditure.

But unemployment is already more than 300,000 higher than the 1.75m assumed when the target was set. Even if there were no further increase, the cost to the

overall demands mean that half of the reserve has already been spent and about

two-thirds of the £3bn which was notionally available three weeks ago has been pre-empted. A further rise in unemployment could well account for the rest, since even the more optimistic forecasts point to a further 250,000 increase this year.

The outlook for next year – for which spending departments will submit their cuts by the mid-May – is similarly bleak. In theory the Treasury has a 2½% reserve for 1992-93, but the increase this year will prevent half of that.

Inflation will be sharply lower by next year, but that assumption is already built into Whitehall budgets for 1992-93.

Ironically, the budget decision to raise VAT to 17.5 per cent will cost Whitehall departments some £450m. Mr William Waldegrave, health secretary, has secured agreement from the Treasury that the extra burden on the NHS will be met from the reserve.

Overall, the demands mean that half of the reserve has already been spent and about

£100m is left.

Warning of recession, Page 11

### Europe close to pact on high definition TV

By David Gardner in Brussels

EFFORTS to achieve a common European approach to introducing high-definition television (HDTV) are close to completion, European Commission officials said yesterday.

"Agreement on the principles of what high-quality television strategy to adopt has been reached by broadcasters, satellite operators and the electronics industry, though details have still to be finalised," they said.

The intention is still to introduce the D2-Mac satellite stan-

dard, on wide-screen television sets.

But Brussels is still considering whether, or how, to compensate broadcasters and equipment manufacturers already using other standards.

"It is not clear how this would be organised," officials said.

Current EC rules require all direct broadcasting satellites to use this system, as a stepping stone towards an improved HDTV standard in 1995.

But around 2m viewers – in-

cluding subscribers to British Sky Broadcasting – already receive pictures from the Astra satellite on the competing PAL standard.

Astra is exempt from the rules because it is telecommunications rather than a television satellite.

The Commission is working towards having a memorandum of understanding signed before introducing a new directive, and is seeking a compromise among the interests affected.

But officials would not com-

mit to presenting to telecommunications ministers on June 3.

Brussels is not ruling out compensation for broadcasters on other standards.

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communications ministers on June 3.

The new directive is scheduled to be presented to telecommunications ministers on June 3.

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## THE LEX COLUMN

### Not much cheer from ICI

If the UK chancellor is looking further for anecdotal evidence on the economy, he could do worse than turn to the first-quarter results from Imperial Chemical Industries. The 52 per cent fall in pre-tax profit represents a levelling out of sorts after the 72 per cent drop in last year's final quarter. But the 11 per cent drop in volume is genuinely startling, even if it compares with the last good period before the 1990 downturn. The company can point to theoretical reasons for optimism, such as the fall in UK and US interest rates, the stability of oil prices and sterling's decline against the dollar. But at the operating level, there is no sign of a revival in orders at all.

More specifically, there is a worrying drop in profits from the pharmaceuticals division, ICI's traditional prop in the downswing of the cycle. Even after adjustment for disposals, profits seem to be down by perhaps a quarter. For the group, the impression is that recovery will be postponed until the third quarter at the earliest and will be modest when it arrives. It sounds like a prescription for the UK corporate sector as a whole, including the likely prospect of limited further recovery in 1992.

But this need not be unduly bad news for ICI's share price, whatever it means for the market. Assuming recovery is at least discernible by the start of next year, ICI's present yield of 6.8 per cent should be safe enough. The shares have almost entirely missed the revival in cyclical stocks such as housebuilders. Their turn has to come eventually.

#### Takeovers

From the rubble of the 1980s, a familiar question is emerging: whether takeovers in the UK are by their nature a bad thing. A House of Commons committee has been hearing from such as the chairman of Pilkington and Sir John Clark, the erstwhile head of Plessey, on the iniquities of the present system. The Guinness appeal has revived memories of the most notorious takeover of the decade. Some of the arguments deserve careful consideration. The snag has to do with the tactics of industry do not know what they want, the rest of us cannot help them.

#### UK banks

The absence of rights issues in the bank sector has helped the market to value the clearances as a simple bet on interest rates and economic recovery, similar to the construction and property sectors.

The prospect of flat earnings this year has largely been ignored on the assumption that

1992 should see a gratifying bounce.

As fresh evidence has suggested that the recession may be deeper and longer than was thought only weeks ago, the banks have begun to suffer. The UK bad debt provisions which dragged down profits last year could turn out to be annoyingly persistent. The sector has underperformed the market by some 4 per cent since its peak in March. Since the start of the year Midland and NatWest, seen as the most heavily geared to recovery, have slipped back to only modest outperformance. Lloyds has done worse again, while Barclays, financially the strongest of the clearances, has outperformed the market by 10 per cent in the year. Abbey National, alone in having no corporate exposure, has returned to the top of brokers' buy lists.

All of which highlights the importance of the interim reporting season in June. If the banks make further large UK provisions, the implication is that far from being flat, 1992 could actually turn out worse than last year. Putting a price on 1992 will be harder than ever.

#### Southend/Frogmore

Yesterday's offer document from Southend Property for Frogmore merely underlines the cheekiness of the £130m bid. In Southend's favour, its shares have performed twice as well as Frogmore's over the last five years. But the price of bull market aggression is an uncomfortably stretched balance sheet. The cost of servicing the £100m debenture, for example, may be a fixed 6.5 per cent net, but gross that up and allow for the discount on the issue's flotation, and 10.5 per cent may not look like cheap borrowing in a year or two's time. The combined gearing of 49 per cent – against more than 120 per cent at the moment – offers a convenient way out at Frogmore's expense.

Frogmore shareholders might just be prepared to back Southend's judgment if offered attractive terms. But there is no premium for winning control. While the 455p estimate of the target company's net asset value looks reasonable, Southend's bid is calculated on a mere 8 per cent drop in the value of its own property portfolio. It will have to be more generous and throw in at least an element of cash if it is to have any chance of success.

**UK banks**

The absence of rights issues in the bank sector has helped the market to value the clearances as a simple bet on interest rates and economic recovery, similar to the construction and property sectors.

The prospect of flat earnings this year has largely been ignored on the assumption that

it is hard to imagine a business environment more different than Vladimir's Russia.

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### INSIDE

#### ICI profits plunge to £198m in quarter

ICI, the leading UK chemicals group, yesterday reported first-quarter pre-tax profits down 52 per cent to £198m (\$384m). Turnover fell by 12 per cent to £3.05bn. Sir Denys Henderson, chairman, commented: "Our results reflect the recessionary conditions in many markets. The first half is likely to remain difficult but some modest improvement in demand is possible later in the year." Page 23

#### Natural gas in the limelight

Natural gas is rapidly joining the limelight as one of the primary fuels for European heating economies. As the popularity of oil, coal and nuclear power are threatened by concern over price and the environment, natural gas's long-term future seems bright. Europe's gas monopolies, however, may find life more competitive as the European Commission begins to look at ways to liberalise the industry. Back Page

#### Norsk Hydro hit by dollar

Norsk Hydro, Norway's biggest company, reported lower first-quarter pre-tax profits of Nkr1.06bn (\$156m) against Nkr1.62bn a year earlier. The company blamed the fall on the strength of the dollar. Net profits fell to Nkr611m from Nkr1.3bn in the first quarter of last year. Page 23

#### Pilkington sells unit

Pilkington, the UK glassmaker, is selling a wholly-owned subsidiary, Pilkington Reinforcement, to Nippon Sheet Glass for \$7.4m (£5.25m). The move is part of the group's strategy of divesting itself of non-core activities and eliminating loss-making operations to focus more closely on its major flat and safety glass activities. Page 30

#### Rough ride for airline sell-offs

The Australian government says it will go ahead with plans to privatise 100 per cent of Australian Airlines, the government-owned domestic carrier, and 49 per cent of Qantas, the international flag carrier. But the sell-off may face a rough ride: the industry is still recovering from the after-effects of a year-long pilots' strike and the Gulf war and expects, at best, to break even at the operating level this year. Page 34

#### Ebam profits retreat plunge 51%

Ebam, the UK clothing retailer, suffered a 51.4 per cent fall in profit for 1990/91. Pre-tax profits fell to £2.5m (\$4.3m) from £17.5m after a first-half loss of £1.1m. Page 28

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#### Chief price changes yesterday

| PRAGUE (PEN)              |      | Milos |              |            |
|---------------------------|------|-------|--------------|------------|
| Aeroflot                  | 645  | + 15  | Le Hodek     | 562 + 13   |
| Hertha                    | 365  | + 11  | PFK          | 562 + 13   |
| Metall                    | 335  | + 13  | BC           | 758 - 10   |
| Letzkyer                  | 375  | + 13  | Geophysical  | 688 - 10   |
| Sud Chassis               | 634  | + 29  | Lyon Gas     | 590 - 28   |
| Plastics                  | 200  | - 20  | Stora Enso   | 592 - 28   |
| Springer Axel             | 700  | - 20  | Sundsvall    | 643 - 22   |
| Shells                    | 22   |       | TOKYO (Yen)  | 22         |
| Data General              | 177  | + 13  | Alcatel      | 846 + 59   |
| Data                      | 725  | + 13  | Siemens      | 805 + 55   |
| Ericsson                  | 265  | + 22  | Pet Tokyo    | 1130 + 85  |
| Itel                      | 1024 | + 2   | Intelsat Gl  | 1040 + 101 |
| Philips                   | 532  | - 82  | Telekom      | 1830 + 190 |
| Compaq                    | 532  | - 82  | Philips      | 1040 - 82  |
| Exxon                     | 532  | - 17  | Tokman       | 1260 - 170 |
| PTAKES (PPF)              |      |       |              |            |
| New York prices at 12.30. |      |       |              |            |
| LONDON (Pence)            |      |       |              |            |
| Alcoa                     | 443  | + 44  | IMI          | 246 - 5    |
| Alcan                     | 515  | + 11  | Lat. Service | 198 - 8    |
| Castrol                   | 547  | + 28  | Level (V4)   | 145 - 33   |
| Esso                      | 515  | + 28  | Locos Int'l  | 135 - 5    |
| Glaxo (ML)                | 605  | + 17  | Perrier      | 80 - 9     |
| Liberty                   | 515  | + 2   | Rank Org     | 719 - 8    |
| Sud Chassis               | 515  | + 3   | Reader       | 803 - 20   |
| Stobart                   | 226  | + 6   | TACE         | 144 - 12   |
| Tele                      | 105  | - 7   | Wir Package  | 2870 - 60  |
| GNK                       | 364  | - 9   |              |            |

## FINANCIAL TIMES COMPANIES & MARKETS

Friday April 26 1991

### Mitsubishi Motors in Volvo deal

By Kevin Done in London and Ronald van der Kroft in Amsterdam

MITSUBISHI Motors and Volvo of Sweden are expected to announce shortly a preliminary agreement which could lead to the Japanese carmaker taking a substantial minority stake in Volvo Car BV, the Dutch producer.

Volvo Car BV, which produces Volvo's medium-sized 400 series, is 20 per cent-owned by Volvo of Sweden and 70 per cent by Dutch state interests.

Politicians in The Hague said that Mitsubishi, Volvo and the Dutch economic affairs ministry were hoping to sign a letter of intent at the end of next week setting out the basis for further negotiations.

Final agreement on the transaction is expected later in the year. The option being explored most intensively is a construction whereby each of the three partners would receive a one-third stake in the enlarged share capital of Volvo Car BV.

As part of the deal, the partners would commit themselves to investing more than Fl12.5bn (£1.3bn) in the development and production of a new medium-sized car.

Government officials, who stressed that the negotiations were highly complex and still far from over, declined to say how much the Dutch state would receive for its Volvo shares.

Among the most contentious issues is the type and quality of the jobs at Volvo Car BV, the Netherlands' only car producer. Dutch unions have consistently argued that the company must be more than a simple assembly

unit and must continue to be involved in research and development.

Government officials said that although the three parties were making progress in their talks, the outstanding issues were too complicated to allow final agreement to be reached quickly.

Mitsubishi Motors has been in negotiation with Volvo and the Dutch government for more than a year.

Its entry into car production in the Netherlands would further strengthen the rapidly growing Japanese car-making presence in Europe.

The three leading Japanese carmakers, Toyota, Nissan and Honda are already developing car plants in Europe, all three in Germany.

Mitsubishi Motors and Mazda have been planning to follow in their wake, but are seeking partners for a joint venture. Mazda is seeking a collaborative venture in Europe with Ford of the US which holds a 25 per cent equity stake in Mazda.

Earlier this week Suzuki, a smaller Japanese carmaker, announced that it would begin car assembly in Hungary at the end of 1992, the first move by a Japanese car producer into eastern Europe.

"We have experienced a number of cases of banks not being willing to lend on uncommitted lines, particularly when the loan period would take in the end of the quarter, when their balance-sheets are being assessed," says BTM's Mr Bull.

The credit squeeze has given a boost to relationship banking, which had been exposed to intense pressure while price competition was keen.

"The reason people are emphasising relationships now is that they have to," says Mr Andrew Robb, finance director of Pilkington, the glassmaker.

"The banks just doing transactions – the Japanese in particular – have gone home."

Blue chips say they never abandoned relationship banking because of its many advantages.

Even News Corporation, whose recent debt restructuring required the co-operation of 146 bank lenders, says it has "always stuck with" relationships.

"The transactions that the 146 banks participated in were all originated by a small group of banks that did everything for us," the company says.

Relationship bankers, companies argue, tend to be more reliable in times of distress, more trustworthy, faster on their feet in bad situations, and dream up more useful new ideas.

"Relationship banking has two



AFTER almost a decade of being spoilt for choice by a procession of business-hungry bankers, blue chip companies are having to pay more for their credit facilities.

"The cost of borrowing is certainly rising," says Mr Christopher Bull, finance director of BTM, the industrial conglomerate. "The days when banks would clamour to lend at very fine margins are over."

The trend reflects the return of a seller's market as banks concentrate on securing adequate returns on their capital.

These changed priorities stem partly from the need to satisfy capital adequacy requirements and comply with the Bank for International Settlements' capital ratios.

"The basic ratios are driving the pricing policy of the banking system," says Lord Alexander, chairman of National Westminster Bank.

Companies have observed less of an increase in the prices of day-to-day cash management tools. These, they note, do not entail the commitment of valuable bank capital.

Mr Ian Duncan, finance director of Tomkins, the conglomerate, says: "The market is as competitive as ever for forward rate agreements (FRAs), swaps and large foreign exchange transactions."

But they say that banks are relatively reluctant to agree to loan requests under uncommitted credit facilities.

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"Relationship banking has two

advantages," says Mr Nigel Stapleton, finance director of the publisher, Reed International.

"First, they are more responsive

when we need something done

quickly. Second, because they know the business, they come up with some relevant innovative ideas."

If Reed had put its credit facilities with the banks offering the lowest commitment fees during the lending spree, it could have ended up with lines in place from the failed Bank of New England, Mr Stapleton points out.

"I like to have clear relationships with a number of banks

## INTERNATIONAL COMPANIES AND FINANCE

**Two US airlines post heavy losses**

By Nikki Tait in New York

UNITED Airlines and Delta Air Lines, two of the biggest US carriers, yesterday posted heavy losses for the first three months of 1991, underlining the impact which the Gulf war and domestic recession has had on the industry.

However, Chicago-based United Airlines was more cheerful about the outlook.

"We are encouraged by the recovery we currently see," said Mr Stephen Wolf, chairman, "particularly in our Pacific markets where we expect May traffic to approximate May 1990 level and June traffic to surpass last year's levels."

But Mr Thomas Rosek, Delta's finance director, stressed that operating expenses continued to be "up significantly".

This, he said, reflected the growth in traffic and capacity in the current quarter, aircraft fleet and facilities expansions, and "favourable expenses trends in the prior year".

Delta said that although the airline had been "encouraged" by an 8 per cent growth in traffic in the first quarter, much of this had stemmed from the wave of fare-discounting in the first two months.

United lost \$157m after tax in the three-month period, on virtually static operating revenues of \$2.22bn compared with \$2.15bn in the same period a year earlier, when the carrier reported a \$64m net loss.

However, its operating deficit was significantly larger, at \$363m against a loss of \$47.2m last time.

Operating revenues were up from \$2.12bn to \$2.3bn, but the carrier recorded an operating

loss of \$115.1m compared with a profit of \$45.1m last year.

Delta's load factor fell to 82.46 per cent, compared with 81.97 per cent a year ago.

The losses, reported by United and Delta follow some equally grim figures from American Airlines last week. Overall, the US industry is reckoned to have lost some \$4bn during the last four months of 1990 and the first three months of the current year.

However, with the Gulf turbulence now past and amid signs the economy may be recovering, UAL shares gained a further 7% to \$160, while Delta improved by 5% to \$72.7m.

Both stocks are close to their highs for the past 12 months.

**Newmont Mining reveals 12% drop**By Karen Zagor  
in New York

NEWMONT Mining, the US natural resources company in which financier Sir James Goldsmith holds a 42 per cent stake, turned in a 12 per cent decline in first-quarter net income from continuing operations on sales which fell 9 per cent.

For the three months ended March 31, Newmont recorded net income of \$37.4m, or 85 cents a share, on sales of \$161.3m, against \$37.4m, or 85 cents, on sales of \$163.6m a year ago. The 1990 earnings were distorted by income from discontinued operations of \$14.7m, or 28 cents a share, and a one-off after-tax gain of \$10.6m, or 18 cents.

Net income from continuing operations was \$37.4m in the 1990 quarter, compared with \$42.7m a year earlier.

During the first three months of 1991, the average price Newmont received for gold fell to \$401 an ounce from \$414 an ounce a year earlier.

Newmont's financial services business, which includes the insurance group Crum and Forster, lifted first-quarter earnings from \$6m from \$3m, despite a 9 per cent fall in revenue to just over \$1bn.

The company said improved insurance underwriting income, helped by an "aggressive" effort to withdraw from unprofitable business, offset lower pre-tax capital gains.

**Compaq shares tumble on second-quarter warning**

By Louise Kehoe in San Francisco

COMPAQ Computer's stock price dropped sharply in early trading yesterday when the company said second-quarter earnings were expected to be below those of the same period last year, primarily because of the impact of the strengthening dollar on overseas profits.

Compaq's share price dropped from a Wednesday close of \$61.75 to trade at \$54 at midday yesterday in New York, a fall of over 12 per cent.

First-quarter earnings, reported yesterday, were \$51.4m, or \$1.25 a share, up 24 per cent from \$39.5m, or \$1.05 a share, on sales of \$161.3m, against \$37.4m, or 85 cents, on sales of \$163.6m a year ago. The 1990 earnings were distorted by income from discontinued operations of \$14.7m, or 28 cents a share, and a one-off after-tax gain of \$10.6m, or 18 cents.

Compaq warned that second-quarter earnings would be below those of the quarter last year when earnings were

cent to 34 per cent, implemented earlier this month, will also be felt in the second quarter, the company said. The price cuts are aimed at increasing Compaq's share of the US personal computer market, said Mr Cannon. He noted, however, that Compaq's unit shipments in the US increased by 20 per cent in the first quarter, compared with an industry average of about 5 per cent.

After the close of the first quarter, Compaq announced a \$15.5m equity investment in Silicon Graphics, a high performance graphics workstation manufacturer. The companies also reached a technology exchange agreement under which Compaq will make license payments to Silicon Graphics. Jointly developed products will be manufactured and marketed by both companies.

**Allied-Signal hit by car industry slump**

By Bernard Simon

ALLIED-SIGNAL, the US industrial conglomerate, saw its first-quarter earnings halved as a result of weak markets in its core automotive, aerospace and engineered materials businesses.

Net earnings tumbled to \$32m, or 47 cents a share, from \$62.5m, or 90 cents, a year earlier. Sales fell to \$3.9m from \$3.1bn.

Mr Edward Hennessy, chairman of the New Jersey-based company, said profits were hit by the slump in the North American motor industry, the cutback in commercial airline traffic (which reduced orders for aircraft spare parts), and weaker consumer demand, which affected sales of carpet fibre.

The automotive division, whose products include brake systems, spark plugs, turbochargers and filters, slid to an \$11m loss, from profits of \$32m.

Second-quarter profits will be significantly boosted, however, by the \$275m sale of US offshore oil and gas operations owned by Union Texas Petroleum, in which Allied-Signal has a 39 per cent interest. The sale was finalised earlier this month.

**Steady growth at Sara Lee**

By Nikki Tait

SARA LEE, the Illinois-based food group, saw an 11 per cent increase in net profits during its third quarter, to end-March. It made \$120.2m after tax, compared with \$108.9m in the same period a year ago, leaving it with profits of \$36.3m after the first nine months, against \$35.3m last time.

Sales during the latest three months rose by a more modest 4 per cent, to \$2.91bn, with the company reporting an 8.2 per cent improvement in operating income, at \$1.6m.

Interest charges in the quarter fell from \$36.9m to \$24m.

**Rental and service side bolster Xerox**

By Bernard Simon in New York

A STEADY stream of rental and service fees has sheltered Xerox from the recession's impact on sales of its more expensive copying and duplicating products.

The Connecticut-based company yesterday reported virtually unchanged first-quarter earnings from continuing operations of \$106m, or \$1.01 a share, compared with \$113m, or 97 cents, a year earlier.

The 1990 figures exclude a \$36m loss on discontinued financing and real estate businesses.

Total revenues were virtually unchanged at \$4.2m, but masked significant differences among individual businesses. Lower sales of electronic typewriters and large copiers were offset by a modest rise in demand for less expensive duplicators and copiers, and fax machines.

Profits from document processing matched last year's levels, thanks mainly to growth in income from services, rentals, supplies and financing of equipment.

Xerox said it has a good response to its new DocuTech

product line, launched last October, which combines several different functions in a single high-speed machine. It noted that all 25 customers who tested the equipment have ordered permanent installations, and some have placed further orders.

Mr David Nelson, analyst at Shearson Lehman, predicted DocuTech shipments will further boost Xerox's sales later this year.

The company said improved insurance underwriting income, helped by an "aggressive" effort to withdraw from unprofitable business, offset lower pre-tax capital gains.

**Eaton reveals \$12m deficit**

EATON Corporation, the Cleveland-based engineering group, reported a net loss of \$12m for the first three months of 1991, down from a \$64m profit in the period a year earlier, writes Nikki Tait.

Eaton, which sells products to the automotive, industrial and defence industries, revealed that sales for the first quarter slipped to \$181m from \$182m a year earlier.

There was a \$38m restructuring charge; without this, Eaton would have made a \$13m profit.

**Sharp rise at Sun Micro**

By Robert Gibbons in Montreal

SUN MICROSYSTEMS, the California-based maker of computer workstations, reported a sharp advance in third-quarter profit to \$58.7m after tax from \$36.7m in the year-ago period, writes Nikki Tait.

The company, which lifted sales to \$642.3m from \$632.2m, said its operating margin improved by 2% percentage points from the second quarter, putting this above 10 per cent. Earnings per share were up to 55 cents from 40 cents.

Alcan ALUMINIUM warned that it would be forced to reconsider its 1991 capital spending of C\$900m (US\$75.8m) and its dividend policy if the global recession continues and aluminium demand remained stagnant.

Mr David Morton, chairman, said after the annual meeting that the world aluminium industry was going through a "tough spot that may be quite prolonged".

Alcan reported a small loss in the first quarter, but maintained its quarterly divi-

dend.

Mr Morton would not estimate the impact of low prices and sluggish demand on Alcan's second quarter, but he indicated that business in April did not show much change from the first quarter.

Spot ingot prices in London earlier this week touched a four-year low of around the equivalent of 615 US cents a pound. Mr Morton said that at such a level Alcan could still make an operating profit at the smelter level.

**RAND MINES PROPERTIES LIMITED**

(Incorporated in the Republic of South Africa)

Registration number 0001234/90

**Interim report and dividend announcement for the six months ended 31 March 1991**

| INCOME STATEMENT            |                           | BALANCE SHEET       |          |               |
|-----------------------------|---------------------------|---------------------|----------|---------------|
|                             | Six months ended 31 March | Year ended 30 Sept. | Change % | 31 March 1990 |
|                             | 1990                      | 1990                |          | 1990          |
|                             | Unaudited                 | Unaudited           |          | Unaudited     |
| Turnover                    | 94 229                    | 83 661              | + 13     | 172 168       |
| Operating profit:           |                           |                     |          |               |
| - Property                  | 9 595                     | 9 084               | + 5      | 17 740        |
| - Gold recovery             | 223                       | 2 481               | - 53     | 4 429         |
|                             | 10 822                    | 11 565              | - 9      | 22 179        |
| Interest - net received     | 6 350                     | 5 322               | + 19     | 11 960        |
| Profit before taxation      | 16 872                    | 16 887              | 34 133   |               |
| Taxation                    | 7 425                     | 7 485               | 13 054   |               |
| Profit after taxation       | 9 447                     | 9 412               | 21 085   |               |
| Attributable to:            |                           |                     |          |               |
| - Ourika shareholder        | 7                         | 156                 | 157      |               |
| - Members of RMP            | 9 440                     | 9 258               | + 2      | 20 928        |
| Shares in issue (000's)     | 12 403                    | 12 403              | 12 403   |               |
| Earnings per share (cents)  | 76                        | 75                  | 169      |               |
| Dividends per share (cents) | 40                        | 40                  | 140      |               |

NOTES:  
1. Review of results  
The market for the company's property remained satisfactory during the period under review. Gross revenues from township land sales for the six months to 31 March 1991 totalled R20.2 million (31 March 1990: R15.2 million) resulting in the profit for the property division reflecting a modest increase in operating profit.

The results of the gold recovery division were adversely affected by the increase in working costs without a corresponding increase in the price of gold. The average rand per kilogram gold price was one per cent lower than that achieved for the six months ended 31 March 1990.

Interest received increased by 19 per cent due to higher cash held on deposit.

1.1 Operating results - gold recovery plants  
Crown and City plants  
Six months ended 31 March 1990  
1991  
Sand and slime treated (000 tons) 3 932 3 887 7 870  
Gold produced 1 858 1 854 3 508  
Dust 1 047 0.43 0.45  
Yield (grams per ton) 1.33 1.47 1.40  
Revenue (rand per ton treated) 15.87 14.29 14.94  
Cost (rand per ton treated) 14.40 12.76 13.30  
Working profit (rand per ton treated) 1.27 1.53 1.64  
Gold price received (rand per kilogram) 33 166 33 514 33 516  
RMP 8000 8000 8000  
Revenue 61 622 55 547 117 876  
Costs 58 507 49 617 104 709  
Working profit 5 115 5 938 12 867  
Amortisation 4 584 4 328 9 040  
Operating profit 521 1 604 3 827  
1.2 Gold hedging  
The proceeds from hedging transactions completed during the half year form part of the revenue derived from the sale of gold.

**Declaration of Dividend No. 30**

The Directors have declared dividend No. 30 as an interim dividend in respect of the year ending 30 September 1991 as follows:

Amount (South African currency)  
Last day to register for dividend (and for changes of address or dividend instructions)  
Register closed from (to inclusive)  
Shares trade ex-dividend in Johannesburg and London  
Currency conversion date for sterling payments to shareholders paid from London  
Dividend warrants posted  
Payment date of dividend  
Rate of non-resident shareholders' tax

The full conditions relating to the dividend may be inspected at or obtained from the Johannesburg offices of the company and its transfer secretaries.

Johannesburg 25 April 1991

Registered office 15th Floor, The Corner House  
63 Fox Street  
Johannesburg 2001  
(P.O. Box 62549, Marshalltown 21207)  
South Africa  
Transfer secretaries Limited  
Corner Northgate Parkway and  
Hamer Close, Johannesburg  
Johannesburg 2001 - South Africa  
(P.O. Box 62549, Soweto 21205)  
South Africa  
Secretaries to the United Kingdom  
Vigilant Corporate Services Limited  
10th Floor, Victoria, London EC1P 1AJ

**Bankers Trust International Limited**

12% drop

By Louise Kehoe in San Francisco

COMPAG Computer's stock price dropped sharply in early trading yesterday when the company said second-quarter earnings were expected to be below those of the same period last year, primarily because of the impact of the strengthening dollar on overseas profits.

Compaq's share price dropped from a Wednesday close of \$61.75 to trade at \$54 at midday yesterday in New York, a fall of over 12 per cent.

First-quarter earnings, reported yesterday, were \$51.4m, or \$1.25 a share, up 24 per cent from \$39.5m, or \$1.05 a share, on sales of \$161.3m, against \$37.4m, or 85 cents, on sales of \$163.6m a year ago.

The rising value of the US dollar may have an adverse effect on revenues and profits in the second quarter, said Mr Rod Cannon, Compaq president and chief executive.

## INTERNATIONAL COMPANIES AND FINANCE

## ICI plunges 52% but still tops market expectations

By Clive Cookson in London

IMPERIAL Chemical Industries yesterday reported a 52 per cent drop in first-quarter pre-tax profits to £138m (£334.6m). Turnover fell by 12 per cent to £2.45bn.

"Our results reflect the recessionary conditions in many markets," said Sir Denys Henderson, chairman. "The first half is likely to remain difficult but some modest improvement in demand is possible later in the year."

Most analysts had forecast an even worse outcome, so ICI shares rose sharply on the figures but fell back later to close 3p up at 1077p.

Net profits after tax for the first quarter fell from £265m to £123m, giving earnings per share of 17.3p (38.1p).

ICI Pharmaceuticals, whose strong performance during 1990 underlined the results of the whole group, showed a surprisingly sharp drop in the first quarter of 1991. Trading profit fell from £144m to £88m and turnover was £234m, down

from £367m the previous year. The company said the underlying pharmaceuticals business remained strong. The 1991 figure was hit by increased buying of drugs last year to beat price increases and by the weaker US dollar.

Turnover in paints fell from £417m to £362m, but the trading profit improved marginally - from £13m to £16m - as the business cut costs.

The quarter's only significant improvement was in fertilisers, where trading profits jumped from £1m to £8m. ICI failed to sell the fertilizer business last year to Kaofer of Finland but was blocked by the UK government on the advice of the Monopolies and Mergers Commission.

Trading profits in agrochemicals and seeds fell only slightly from £72m to £67m even though European sales were hit by cold weather in January and February. Worst hit by the recession were petrochemicals and plastics, which made a

£5m loss, compared to a profit the previous year of £28m, on turnover of £583m against £601m.

"If there is one area where we see some concern about whether we have seen the bottom of the recession, it is petrochemicals and plastics," said Mr Colin Short, finance director. "There may be some way to go before we see the bottom there."

Profit margins at ICI and other international petrochemical producers are likely to be substantially worse during the second quarter of the year than during the first quarter.

Even though ICI's results were above market expectations, analysts were reluctant to upgrade their profit forecasts for the whole year.

UBS Phillips & Drew is still going for £700m, BZW for £750m and Kleinwort Benson for £850m. ICI's pre-tax profits were £97m in 1990 and £1.53bn in 1989.

Lex, Page 20

## Akzo turns in 4.7% decline to Fl 192.2m

LOWER earnings in specialty chemicals and coatings helped push down first-quarter net profit at Akzo, the Dutch chemicals group, by 4.7 per cent to Fl 192.2m (£38.6m), writes Ronald van de Krol in Amsterdam.

Operating profit showed a steeper decline, falling by nearly 21 per cent to Fl 296.5m from Fl 375.5m. However, this decline was largely cushioned by a substantial reduction in financing charges to Fl 67.7m from Fl 113.6m in the 1990 first quarter.

The company blamed the fall in operating profit mainly on its activities in Brazil, which had enjoyed a particularly good first quarter in 1990 and which had not been able to match these results in 1991.

Akzo, the first big Dutch company to release results for early 1991, said in February that first-quarter results would be lower. But the 4.7 per cent decline compared well with the 30 per cent fall in 1990.

## Adia reveals 43% fall in profits for year

By William Duflo in Geneva

ADIA, the Swiss-based international employment and services group, yesterday disclosed a 43 per cent fall to SFr115m (£78m) in net consolidated earnings in 1990.

Group turnover, including computer leasing operations, decreased by 3.2 per cent to SFr5.8bn. Revenues from the core employment, security and inspection services rose 3 per cent to SFr4.1bn.

Adia SA, the Lausanne-based holding company which operates in a fiscal year ending June 30, will announce its dividend in September. Adia said it would be lower than the SFr27.5 per bearer share and SFr5.50 per participation certificate paid on the previous account.

Asko Deutsche Kaufhaus, the German retailing group, and Swiss businessman Mr Klaus Jacobs acquired a 53 per cent stake in Adia last month. This followed efforts by Omni Holding, Adia's ultimate par-

tner and the linchpin of entrepreneur Mr Werner Rey's financial empire, to resolve its debt problems. At the same time, Adia secured the reimbursement of an outstanding SFr115m loan to Omni.

Mr Rey's company is under court protection while its assets are being realised.

In 1990, Adia said, the operating environment had worsened in most of the countries in which it operates. Worst affected were the US and UK. Also, the dollar, in which Adia realises half its profits, depreciated throughout the year against the Swiss franc.

Group operating earnings, excluding computer leasing, fell 26 per cent to SFr204m. Operating profit from temporary help and personnel services dropped 27 per cent to SFr49m.

The 1990 figure includes SFr28m in provisions which, says Adia, would cover its remaining exposure to Omni. Earnings, writes Adia, were released on May 16.

## Vickers and BAe held back by fall in demand

By David Owen in London

DEPRESSED car markets are affecting performance at Vickers and British Aerospace, the UK defence and automotive groups.

The chairman of both companies warned yesterday that interim profits would be below 1990 levels. Vickers' shares slipped 4p to 500p; BAe's were down 5p to 511p.

Sir David Mackay, of Vickers, said the first half would be "particularly difficult" due to reduced car sales and redundancy costs. Vickers had made 670 workers redundant since January. The cost of this will be taken in the first half.

He said Rolls-Royce was unlikely to make a significant contribution to earnings over the full year.

Responding to questions at the group's annual meeting, he said that first-quarter sales of Rolls-Royce and Bentley cars were down by "about 50 per cent". Vehicle sales since January totalled 1,048.

The group, which said its other businesses were performing satisfactorily, is expected soon to receive a long-awaited order for 100 to 200 Challenger 2 tanks for the British army.

Professor Roland Smith of BAe, owner of the Rover Group, said that interim results would fall short of 1990 levels "despite the strong performance of our defence companies".

Swedish group forecasts drop

ATLAS COPCO, the Swedish mining, compressor and industrial equipment manufacturer, yesterday forecast its profits for 1991 would be below the 1990 results of SFr1.27bn (£204m), marking a second consecutive year of a fall in earnings, writes John Burton in Stockholm.

The company based the forecast on a 10 per cent fall in sales to SFr1.35bn during the first quarter of this year. It did not see any sign of an upturn in order bookings. Results for the first quarter will be

## The power of a public sector hero

Peter Bruce on Endesa's future under Spain's electricity shake-up

**S**PAIN'S big private sector electricity generators have nightmares about Mr Feliciano Fuster trampling over their territory with the might of the state behind him.

Mr Fuster, a 66-year-old Majorcan industrial engineer, is president of Endesa, the state-controlled electricity utility that commands nearly a quarter of Spain's generating capacity.

He is a hero in the public sector and the central figure in a sweeping and increasingly combative reorganisation of Spanish utilities by the government.

He is irritated that two of his biggest private sector rivals, Endesa and Iberduero, are talking about merging in order to confront the reorganisation ordered by Madrid.

"It would not promote competition," he says. "In fact, it would be against competition. I cannot compete with a group that has practical all the low-cost hydroelectric capacity in the country."

Spain's electricity is generated by more than 20 companies, many of them small with tiny regional distribution rights. Most own only a half or a third of a power plant. Because tariffs have been unified, the government has had to erect a frighteningly complex compensation system

where low-cost producers pay out to high-cost rivals according to standard asset values held by the companies.

The reorganisation "which uses the new British model as a form of confirmation", says Mr Fuster, is designed to create just a few large generators.

"The efficiency of the sector has not been exactly fantastic," he says, pointing out that the industry has short and long-term debts of around \$40bn, even though final tariffs are roughly similar to other European countries. "We are a collection of geographic monopolies. Why should the sector stay as it is simply because it has traditionally been that way?"

If that sounds defensive, it is. Endesa has been fiercely criticised for abandoning its role as a wholesale power supplier to the private utilities, which are obliged to buy some of their power at a rate fixed by the government.

In 1990, it bought 9.2 per cent of Sevilleana, the Andalucian generator and distributor. Earlier this year it bought 80 per cent of Electric de Viesgo in northern Spain, and smaller packages of shares in Union Fenosa, also in the north, and Fecca, the Catalan utility. The president of one Spanish bank with large holdings in the sec-

tor says this amounts to little more than the nationalisation of the industry.

"Nonsense," says Mr Fuster. "If we wanted to control Sevilleana we would have bought it. What do they accuse us of? Buying 10 per cent of Sevilleana? Banco Bilbao Vizcaya bought 10 per cent just after us and no one said a thing. We bought that stake because we and Sevilla have a lot of business together."

"We should not be talking about whether we are public sector or private sector. We should be talking about whether we are efficient not. Endesa is not the state. We are a company in which the state holds a 75 per cent stake. (The other 25 per cent was floated in Spain and New York three years ago). We are not nationalising. We are offering public sector management."

**T**hat management has not served Endesa badly. It is the state holding company, the Instituto de Industria (INI), most profitable company, earning some \$180bn (£741m) after tax last year.

The fact that Endesa, when it was the sector's ugly duckling, was forced to concentrate on coal-fired thermal power, while the private sector was

## Dollar blamed as Norsk Hydro dips to Nkr1.07bn

By Karen Fossel in Oslo

UNION des Assurances de Paris (UAP), the leading French state-owned insurer, yesterday reported a 27 per cent increase in net profits for 1990, writes William Dawkins in Paris.

Group turnover rose 51 per cent to FFr97.3bn (£16.5bn). However, UAP said the underlying rise was 9.4 per cent, after taking account of the consolidation of its minority stake in Groupe Victoire, and its controlling stake in Gesa, the Spanish assistance and emergency services group it acquired in February last year.

Net profits fell to Nkr611m from Nkr613m in the first quarter of last year. Norsk Hydro said that net income was strongly influenced by the strengthening of the dollar.

"Altogether, the realised and unrealised effects of foreign exchange movements during the period resulted in a loss of Nkr450m, compared with a loss of Nkr11m in the first quarter," the company said.

The unrealised exchange loss is expected to be offset over

time by the positive effect of a high dollar on future revenues.

Group operating revenue rose to Nkr1.623bn in this year's first quarter, compared with Nkr1.575bn last time. Operating income dipped, however, to Nkr1.81bn from Nkr1.89bn in the first quarter of 1990.

"The strengthening of the dollar towards the end of this year's first period contributed to an increase in financial charges to Nkr1.852m from Nkr1.813m in the first quarter of last year."

Net profits rose from FFr3.4bn in 1989 to FFr4.2bn in the first quarter of this year. It did not see any sign of an upturn in order bookings. Results for the first quarter will be

## Spain poised to establish leading bank

THE SPANISH government is in advanced negotiations to create the country's largest bank, with assets worth some \$85bn, by pooling all of the state's financial institutions under a new holding company, writes Peter Bruce in Madrid.

Government officials describe the process as "a very advanced idea, although not yet concrete". The pool of public banks, as Mr Carlos Solchaga, the finance minister, has described it, would probably be led by Banco Exterior, in which the state still has a 60 per cent holding, and include the Caja Postal, the postal savings bank, the agricultural credit bank, the industrial credit bank and the Instituto Credito Local, which finances town halls.

**L'ORÉAL**

NET PROFIT +15,1%

DIVIDEND +16,7%

before capital gains and losses, after minority interest

|  | 1990     | growth percentage compared to 1989 |
|--|----------|------------------------------------|
| Consolidated sales   | ME 3,097 | + 11,7%                            |
| Operating net profit   | ME 346   | + 15,9%                            |
| Net profit before capital gains and losses and minority interests                  | ME 186   | + 18,6%                            |
| Net profit per share, including investment certificates and convertible debentures | £ 3      | + 15,1%                            |
| Proposed dividend  | £ 0,7    | + 16,7%                            |

1990 CONSOLIDATED SALES BY DIVISION  
in £ billions and in %

GEOGRAPHIC BREAKDOWN OF 1990 MANAGED COSMETIC SALES: £ 3.2 billion in %

As he does every year, Mr. Lindsay OWEN-JONES, Chairman and Chief Executive Officer of L'ORÉAL, has assembled the analysts, journalists and investors to discuss the Group's activity and results in 1990.

The consolidated sales, excluding tax rose to £ 3.1 billion, which represents an increase of 11.7%. On a comparable basis, the increase would be 12.5%.

The managed sales of L'ORÉAL, that is, including sales of our American and Canadian agents, rose to £ 3.7 billion.

The net profit before capital gains and losses, after minority interests, reached £ 172 million, representing 15.1% increase compared to 1989. Earnings per share, investment certificates and convertible debentures rose to £ 3 in 1990, giving an increase of 15.1% as compared to 1989.

Despite a rather gloomy international climate, 1990 was once again a year in which L'ORÉAL increased its volume growth and its market shares worldwide. The internationalisation of the Group remains a priority and is intrinsically linked with a substantial investment in Research and Development which sustains a marketing strategy of innovation and renovation.

Mr. Lindsay OWEN-JONES also announced that the Board of Directors of L'ORÉAL had decided to propose to the Annual General Meeting of Shareholders, to be convened on Tuesday 28 May 1991, the distribution of a net dividend of £ 0.7 increased by 16.7% compared to 1989. This dividend is designed to remunerate both ordinary shares and investment certificates.

For further information, please consult banks, brokers, financial establishments, and your newspaper, as well as the Investor Relations and Business Information Department of L'ORÉAL group (Office 403) - 41, rue Martre - 92177 CLICHY (France) - Fax : (1) 47 56 86 42

NEW ISSUE These securities having been sold, this announcement appears as a matter of record only. April, 1991

**DAIWA HOUSE INDUSTRY CO., LTD.**  
(Daiwa House Kogyo Kabushiki Kaisha)  
Osaka, Japan

**DM 400,000,000**  
**4 1/2 % Bonds of 1991/1996 with Warrants**

to subscribe for shares of common stock of  
DAIWA HOUSE INDUSTRY CO., LTD.  
Issue Price: 100 %

**DAIWA EUROPE (DEUTSCHLAND) GMBH**

NOMURA BANK (DEUTSCHLAND) GMBH SCHWEIZERISCHE BANKGESELLSCHAFT (DEUTSCHLAND) AG

DEUTSCHE BANK AKTIENGESELLSCHAFT NIKKO BANK (DEUTSCHLAND) GMBH

YAMAUCHI BANK (DEUTSCHLAND) GMBH SUMITOMO BANK (DEUTSCHLAND) GMBH

TOKAI BANK (DEUTSCHLAND) GMBH S.G. WARBURG SECURITIES

FUJI BANK (DEUTSCHLAND) AKTIENGESELLSCHAFT ROBERT FLEMING (DEUTSCHLAND) GMBH

MORGAN STANLEY GMBH SALOMON BROTHERS AG

KOKUSAI EUROPE LIMITED

KANKAKU BANK (DEUTSCHLAND) GMBH MITSUI TRUST INTERNATIONAL LIMITED

BAYERISCHE LANDES BANK GIROZENTRALE COMMERZBANK AKTIENGESELLSCHAFT

COSMO SECURITIES (EUROPE) LIMITED CSFB-EFFECTENBANK AKTIENGESELLSCHAFT

DRESDNER BANK AKTIENGESELLSCHAFT GOLDMAN SACHS INTERNATIONAL LIMITED

MERRILL LYNCH BANK AG MITSUBISHI BANK (DEUTSCHLAND) GMBH

NEW JAPAN SECURITIES EUROPE LIMITED SANYO INTERNATIONAL LIMITED

J. HENRY SCHRODER WAGG & CO. SCHWEIZERISCHER BANKVEREIN (DEUTSCHLAND) AG

WESTDEUTSCHE LANDES BANK GIROZENTRALE BANQUE NATIONALE DE PARIS S.A. & CO. (DEUTSCHLAND) OHG

MARUMAN SECURITIES (EUROPE) LIMITED MARIANUS EUROPE LIMITED

MITSUI TAIYO KOBE BANK (DEUTSCHLAND) GMBH OKASAN INTERNATIONAL (EUROPE) LIMITED

SANWA BANK (DEUTSCHLAND) AG

NEW ISSUE

This announcement appears as a matter of record only.

April, 1991

YOKOGAWA

## YOKOGAWA ELECTRIC CORPORATION

U.S.\$150,000,000

4 per cent. Bonds due 1995

with

## Warrants

to subscribe for shares of common stock of Yokogawa Electric Corporation

ISSUE PRICE 100 PER CENT.

## Daiwa Europe Limited

Fuji International Finance PLC

J. Henry Schroder Wagg &amp; Co. Limited

ABN AMRO

Credit Suisse First Boston Limited

Bank of Tokyo Capital Markets Group

Nomura International

Westdeutsche Landesbank Girozentrale

Baring Brothers &amp; Co., Limited

DKB International

Goldman Sachs International Limited

KDB International (London) Ltd.

KOKUSAI Europe Limited

Mitsui Taiyo Kobe International Limited

NatWest Capital Markets Limited

The Nikko Securities Co., (Europe) Ltd.

Sanyo International Limited

Sumitomo Finance International

Tokai International Limited

S.G. Warburg Securities

Yasuda Trust Europe Limited

Cazenove &amp; Co.

Robert Fleming &amp; Co. Limited

Kankaku (Europe) Limited

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Morgan Stanley International

New Japan Securities Europe Limited

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Société Générale

Taiheiyo Europe Limited

Universal (U.K.) Limited

Yamaichi International (Europe) Limited

Yasuda Trust Europe Limited

SAFRA REPUBLIC HOLDINGS S.A.  
LUXEMBOURG

NOTICE IS HEREBY GIVEN by the Board of Directors of the Company that the Annual General Meeting of Shareholders of SAFRA REPUBLIC HOLDINGS S.A. ("SRH") will be held at the Hôtel Royal, 12, Boulevard Royal, Luxembourg.

on May 8, 1991 at 11.00 a.m.

for the purpose of considering and voting on the following matters:

- Chairman's Statement.
- Statutory Auditors' Report.
- Approval of the parent company only unconsolidated financial statements for the year ended December 31, 1990.
- Discharge of the Directors and of the Statutory Auditors concerning their duties relative to the year ended December 31, 1990.
- Approval of the proposed appropriation of US\$ 2,000,000 to the legal reserve, distribution of a dividend of US\$ 2.00 per common share and the carrying forward of the balance of the profit.
- Election of the Board of Directors and of the Statutory Auditors for a new one year term. All the Directors (with the exception of Mr. Roger Junod who has resigned) are eligible and stand for re-election.
- Election of M. Guido Hanselmann as a new member of the Board of Directors.
- Approval of the consolidated financial statements of the Company for the year ended December 31, 1990.
- Miscellaneous and individual proposals.

The Board of Directors

## NOTES:

Any shareholder whose shares are in bearer form and who wishes to attend the Annual General Meeting must produce a depositary receipt or present his share certificates to gain admission.

A shareholder wishing to be represented at the meeting must lodge a proxy, duly completed, together with a depositary receipt at the registered offices of SRH at 32, Boulevard Royal, Luxembourg, not later than May 6, 1991 at 5 p.m. The shareholder may obtain the depositary receipt and if required, the form of proxy, from any of the banks listed below by lodging the share certificates at their offices or by arranging for the bank by whom his certificates are held to notify any of the banks listed that shares are so held.

Any shareholder whose shares are registered will receive a notice of the Annual General Meeting his address on the register, together with a form of proxy for use at the meeting. The proxy should be lodged at SRH's offices in accordance with the above instructions.

The remittance of the form of proxy will not preclude shareholders from attending in person and voting at the meeting if they so desire.

All the resolutions covered by the Agenda may be passed by a simple majority of all shares represented at the meeting.

Shareholders may obtain copies of the documentation listed hereunder:

1. This notice

2. The 1990 Annual Report including the Chairman's Statement, the Statutory Auditors' Report, the consolidated and parent company only unconsolidated financial statements

at the Company's registered office and from any of the banks at the following addresses:

- \* Union Bank of Switzerland, Bahnhofstrasse 45, 8021 Zurich
- \* Union de Banques Suisses (Luxembourg) S.A., 36-38 Grand-Rue, 2011 Luxembourg
- \* Republic National Bank of New York, 30 Monument Street, London EC3R 8NB
- \* Republic National Bank of New York (Suisse) S.A., 2, place du Lac, 1204 Geneva
- Republic National Bank of New York (Suisse) S.A., Via Canova 1, 6900 Lugano
- Republic National Bank of New York (Suisse) S.A., Stockerstrasse 37, 8002 Zurich
- Republic National Bank of New York (Luxembourg) S.A., 32, Boulevard Royal, 2449 Luxembourg
- Republic National Bank of New York (France) S.A., 20, place Vendôme, 75001 Paris
- Republic National Bank of New York (France) S.A., 24, rue Feydeau, 75002 Paris
- Republic National Bank of New York (France) S.A., 2, avenue Montaigne, 75008 Paris
- Republic National Bank of New York (Guernsey) Ltd., Santa House, Le Trichot, St. Peter Port, Guernsey, Channel Islands
- Republic National Bank of New York (Gibraltar) Ltd., Neptune House, Marina Bay, Gibraltar

\* Paying Agent of Safra Republic Holdings S.A.

## INTERNATIONAL COMPANIES AND FINANCE

## Australian airlines join the rat race

Kevin Brown examines the fast-changing outlook for the industry

**I**N Australia, airline officials need to be quick on their feet, not just to react to market conditions but to keep pace with changes in government policy.

Only six months ago, the federal Labor government ended decades of strict regulation of domestic aviation by opening the market to any Australian-owned entrant which could raise the capital.

Now the government has announced it will go ahead with plans announced in December to privatise 100 per cent of Australian Airlines, the government-owned domestic carrier, and 49 per cent of Qantas, the international flag carrier.

The announcement was welcomed by Australian Airlines, which relishes the thought of life in the private sector, and predicts strong competition among foreign carriers keen to acquire a stake.

But the outlook is less certain for Qantas, irreverently known as the "flying rat" because of its name. Icaro, which is in a battle with the government over the terms of the sale, and will become one of the few international airlines barred from its own domestic market.

There are also serious concerns over the timing of the privatisations, which is driven by the government's need to complete the process before March 1993, when it faces a general election.

The industry has still not recovered from a year-long domestic pilots' strike, which was defeated early last year only with the assistance of the Royal Australian Air Force.

The strike temporarily grounded both Australian Airlines and Ansett Australia, jointly owned by TNT and News Corporation, wiped out the profits of both airlines and caused a serious dip in inbound tourism.

Weakened by the strike, the airlines were forced to cope with deregulation and the advent of an independent competitor, Compass Airlines, which succeeded in sparking off a fares war.

In addition, the Australian industry is suffering from the rest of world aviation from the impact of the Gulf war and economic slowdowns in the main English-speaking countries.

As a result, Australian Airlines expects to do little better than break even at the operating level this year, following an operating loss of A\$13m last year, and Qantas will make an operating loss of between A\$350m and A\$500m, alleviated by profits of up to A\$400m from aircraft sales.

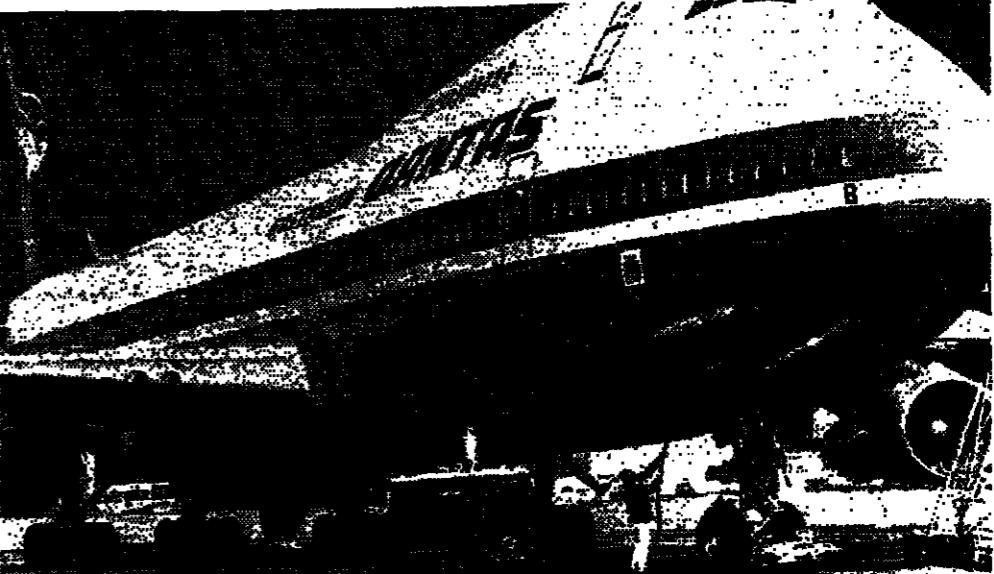
Recognising reality, the government has abandoned plans to float both airlines this year in favour of a trade sale, which may be followed by a partial flotation next year.

Interested airlines will shortly receive an information memorandum seeking bids for up to 25 per cent of either airline, subject to a total overseas shareholding of 40 per cent for Australian and 35 per cent for Qantas.

The government will decide after seeing the initial bids whether to go ahead with a partial flotation of the remaining shares or place them with other strategic investors.

There is likely to be no shortage of interest in Australian Airlines, which has around 43 per cent of the domestic market, and is known to have had initial talks with several overseas airlines.

As a result, Australian Airlines is going ahead with plans to privatise 49% of Qantas



basis of long-term potential rather than current performance.

Most of the airlines which are interested in Australian Airlines are also looking at Qantas. However, Qantas is in a much weaker position. The airline misjudged the growth of the tourist market after the boom during Australia's bicentenary in 1988, and geared up too quickly to deal with growth which has not happened.

As a result, it will have to sack between 3,000 and 5,000 of its 20,000 staff to get back into line with the productivity levels of competing airlines. More drastic surgery is being considered by Coopers & Lybrand, the accountants, which will produce a crisis report for the airline's board in May.

Qantas further damaged its image last month when details emerged of a series of secret agreements with Brierley Investments, American Airlines and Japan Air Lines hatched during the joint takeover of Air New Zealand in 1989.

Governments are still working on the size of the proposed capital injections, but airline executives say Qantas has debts of more than A\$8bn compared with equity of around A\$1bn, and requires between A\$500m and A\$1bn to reduce its debt-to-equity ratio to more acceptable levels. Australian Airlines has debts of A\$1.5bn compared with net assets of around A\$1.7bn, and is understood to have asked the government for A\$300m.

The agreements caused Qantas to pay a higher price than its partners for Air New Zealand shares, and committed it to subsidise dividends to Brierley and, in some cases, to top up the return from future sales of shares.

Qantas says the secret deal was justified because it conferred partial control of an important competitor, and blocked a rival bid which would have allowed British Airways to build a powerful South Pacific hub.

Nevertheless, the episode weakened the already insecure position of Qantas management in Canberra, and helps explain the government's decision to reject the airline's

plan to acquire up to 25 per cent of Australian to protect its access to domestic traffic.

The decision prompted an angry response from Mr Bill Dix, Qantas chairman, who said the airline was being excluded from the domestic market at the same time as the government was encouraging overseas competitors to buy a stake in Australia.

Ironically, the explanation given by government

advisors is that allowing

Qantas to enter the domestic market would make it difficult

to refuse an International Licence to Ansett, which would then be in a position to compete with Qantas.

The value of the two airlines

is unclear because of the difficulty of judging the premium

which overseas airlines may be willing to pay for strategic reasons.

The government has also muddied the waters by indicating that it will strengthen the balance sheets of both airlines before the sales begin.

Government officials are still

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posed capital injections, but

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compared with net assets of around A\$1bn, and requires

between A\$500m and A\$1bn to

reduce its debt-to-equity ratio

to more acceptable levels. Aus-

tralian Airlines has debts of A\$1.5bn compared with net assets of around A\$1.7bn, and is understood to have asked the government for A\$300m.

On this basis, analysts say

Qantas is probably worth

between A\$750m and A\$1bn,

and Qantas between A\$1bn and A\$1.5bn – assuming the government guarantees a stable environment by ruling out further changes of policy.

## Interpublic in 8.4% decline

INTERPUBLIC, one of the world's largest marketing groups, announced an 8.4 per cent fall in first-quarter net income from \$36.4m to \$7.5m, writes Alice Rawsthorn.

The group, which owns McCann-Erickson and Lintas, the leading international advertising agencies, cited the acquisition of the Lowe Group, the London-based marketing company, as the main reason for the decline.

Lowe contributed to an

increase in Interpublic's gross income to \$383.75m (\$224.45m) but had a negative effect on net income.

Interpublic's earnings per share fell 22 cents from 26 cents in the three months to March 31. However, the dividend was raised to 18 cents, against 17 cents last time.

For the past year the international advertising industry has been depressed by recessions in the major markets of the US, UK and Australia.

Underlying growth in operating income rose by 60 per cent, while underlying costs rose by only 25 per cent. The results reflected both the growth of economic activity in the private sector and the bank's expansion into new areas such as underwriting.

Ergobank, a smaller private bank, reported an increase in net profit of 69 per cent to Dr13.75m. Underlying growth in operating income rose by 88 per cent while costs rose by 83 per cent. The bank announced a dividend of Dr500 on earnings per share of Dr758. Return on equity was 51.2 per cent, down from 59.3 per cent in 1989.

The remittance of the form of proxy will not preclude shareholders from attending in person and voting at the meeting if they so desire.

All the resolutions covered by the Agenda may be passed by a simple majority of all shares represented at the meeting.

Shareholders may obtain copies of the documentation listed hereunder:

1. This notice

2. The 1990 Annual Report including the Chairman's Statement, the Statutory Auditors' Report, the consolidated and parent company only unconsolidated financial statements

at the Company's registered office and from any of the banks at the following addresses:

\* Union Bank of Switzerland, Bahnhofstrasse 45, 8021 Zurich

\* Union de Banques Suisses (Luxembourg) S.A., 36-38 Grand-Rue, 2011 Luxembourg

\* Republic National Bank of New York, 30 Monument Street, London EC3R 8NB

\* Republic National Bank of New York (Suisse) S.A., 2, place du Lac, 1204 Geneva

Republic National Bank of New York (Suisse) S.A., Via Canova 1, 6900 Lugano

Republic National Bank of New York (Suisse) S.A., Stockerstrasse 37, 8002 Zurich

**NEW ISSUE***This announcement appears as a matter of record only.*

25th April, 1991

**CREDIT SAISON CO., LTD.****U.S.\$150,000,000****4½ per cent. Bonds due 1996**

with

**Warrants**

to subscribe for shares of common stock of Credit Saison Co., Ltd.

**ISSUE PRICE 100 PER CENT.****Nomura International**

Barclays de Zoete Wedd Limited  
 DKB International  
 Kankaku (Europe) Limited  
 Banque Indosuez  
 BNP Capital Markets Limited  
 Cosmo Securities (Europe) Limited  
 Daiwa Europe Limited  
 Dresdner Bank  
 Goldman Sachs International Limited  
 Kleinwort Benson Limited  
 Kyowa Saitama Finance International Ltd.  
 Merrill Lynch International Limited  
 Morgan Stanley International  
 New Japan Securities Europe Limited  
 Salomon Brothers International Limited  
 Sumitomo Trust International plc  
 S.G. Warburg Securities  
 Yamaichi International (Europe) Limited

Credit Suisse First Boston Limited  
 Fuji International Finance PLC  
 Mitsui Taiyo Kobe International Limited  
 Baring Brothers & Co., Limited  
 Commerzbank Aktiengesellschaft  
 Daito Securities Europe Limited  
 Deutsche Bank Capital Markets Limited  
 Robert Fleming & Co. Limited  
 IBJ International Limited  
 KOKUSAI Europe Limited  
 LTCB International Limited  
 Mitsui Trust International Limited  
 NatWest Capital Markets Limited  
 The Nikko Securities Co., (Europe) Ltd.  
 J. Henry Schroder Wagg & Co. Limited  
 UBS Phillips & Drew Securities Limited  
 Westdeutsche Landesbank  
 Yasuda Trust Europe Limited

*This announcement appears as a matter of record only.*

25th April, 1991

**Kubota****KUBOTA CORPORATION****U.S.\$250,000,000****4 per cent. Bonds 1995**

with

**Warrants**

to subscribe for shares of common stock of Kubota Corporation

**ISSUE PRICE 100 PER CENT.****Nomura International**

The Nikko Securities Co., (Europe) Ltd.  
 Sumitomo Finance International  
 Barclays de Zoete Wedd Limited  
 Salomon Brothers International Limited  
 Cosmo Securities (Europe) Limited  
 Banque Indosuez  
 Credit Lyonnais Securities  
 IBJ International Limited  
 Lehman Brothers International  
 Morgan Stanley International  
 Norinchukin International Limited  
 Smith Barney, Harris Upham & Co. Incorporated

Daiwa Europe Limited  
 Fuji International Finance PLC  
 Yamaichi International (Europe) Limited  
 Goldman Sachs International Limited  
 Sanwa International plc  
 New Japan Securities Europe Limited  
 Baring Brothers & Co., Limited  
 Daiwa Bank (Capital Management) Limited  
 Kleinwort Benson Limited  
 Merrill Lynch International Limited  
 NatWest Capital Markets Limited  
 J. Henry Schroder Wagg & Co. Limited  
 Sumitomo Trust International plc  
 Universal (U.K.) Limited

**NEW ISSUE**  
(European Tranche)*This announcement appears as a matter of record only.*

25th April, 1991

**NISSHIN STEEL CO., LTD.****U.S.\$360,000,000****4½ per cent. Bonds Due 1996**

with

**Warrants**

to subscribe for shares of common stock of Nissin Steel Co., Ltd.

**ISSUE PRICE 100 PER CENT.**

Nomura International  
 Yamaichi International (Europe) Limited  
 LTCB International Limited  
 The Nikko Securities Co., (Europe) Ltd.  
 Bank of Tokyo Capital Markets Group  
 Cosmo Securities (Europe) Limited  
 IBJ International Limited  
 Merrill Lynch International Limited  
 Morgan Stanley International  
 Salomon Brothers International Limited  
 Wako International (Europe) Limited  
 ABN AMRO  
 Credit Suisse First Boston Limited  
 Goldman Sachs International Limited  
 Kyowa Saitama Finance International Ltd.  
 Tokai International Limited  
 UBS Phillips & Drew Securities Limited

Sanwa International plc  
 Daiwa Europe Limited  
 Toyo Trust International Limited  
 Baring Brothers & Co., Limited  
 Barclays de Zoete Wedd Limited  
 Robert Fleming & Co. Limited  
 KOKUSAI Europe Limited  
 Mitsubishi Finance International plc  
 New Japan Securities Europe Limited  
 Sumitomo Trust International plc  
 S.G. Warburg Securities  
 Banque Indosuez  
 Dai-ichi Europe Limited  
 Kankaku (Europe) Limited  
 Swiss Bank Corporation  
 Towa International Limited

*This announcement appears as a matter of record only.***NEW ISSUE**  
(Asian Tranche)

25th April, 1991

**NISSHIN STEEL CO., LTD.****U.S.\$360,000,000****4½ per cent. Bonds Due 1996**

with

**Warrants**

to subscribe for shares of common stock of Nissin Steel Co., Ltd.

**ISSUE PRICE 100 PER CENT.**

Yamaichi International (H.K.) Limited  
 Sanwa International Finance Limited  
 LTCB Asia Limited  
 The Nikko Merchant Bank (Singapore) Limited  
 Baring Brothers & Co., Limited  
 Jardine Fleming International Inc.  
 Merrill Lynch International Limited  
 Morgan Stanley International  
 The Sunnitomo Trust Finance (H.K.) Limited  
 S.G. Warburg Securities  
 Commerzbank Aktiengesellschaft  
 KDB International (London) Ltd  
 Marusan Securities (Asia) Limited  
 Mitsui Taiyo Kobe Asia Limited  
 J. P. Morgan Securities Ltd.  
 Okasan International (Asia) Ltd.  
 Société Générale Asia Limited

Nomura Singapore Limited  
 Daiwa Singapore Limited  
 IRJ Asia Limited  
 Citicorp International Limited  
 BOT International (H.K.) Limited  
 Kankaku (Singapore) Limited  
 Mitsubishi Finance (Hong Kong) Limited  
 Paribas Capital Markets Group  
 Toyo Trust Asia Ltd.  
 Bayerische Vereinsbank Aktiengesellschaft  
 Japan Universal Securities (Hong Kong) Limited  
 Kuwait Foreign Trading Contracting & Investment Co. (S.A.K.)  
 Meiko Securities (HK) Ltd.  
 Mitsui Trust Finance (Hong Kong) Limited  
 Nippon Credit International (HK) Ltd.  
 Sanyo Securities (Asia) Ltd.  
 Taiheiyo Securities (H.K.) Limited

New Issue

All these securities having been sold, this announcement appears as a matter of record only.

INTEC INC.  
U.S.\$100,000,000  
4 PER CENT. NOTES DUE 1995 WITH WARRANTS

ISSUE PRICE 100 PER CENT.

The Nikko Securities Co., (Europe) Ltd.

Robert Fleming & Co. Limited  
Wako International (Europe) Limited  
Baring Brothers & Co., Limited  
New Japan Securities Europe Limited  
Bank of Tokyo Capital Markets Group  
Tokyo Securities Co. (Europe) Limited  
Banque Indosuez  
Cazenove & Co.  
Daiwa Europe Limited  
Hokuriku Finance (H.K.) Limited  
Kankaku (Europe) Limited  
Lehman Brothers International  
Merrill Lynch International Limited  
Ryoko Securities International Limited

IBJ International Limited  
Yamaichi International (Europe) Limited  
Mitsubishi Finance International plc  
S.G. Warburg Securities  
Citicorp Investment Bank Limited  
ABN AMRO  
Barclays de Zoete Wedd Limited  
Credit Suisse First Boston Limited  
Goldman Sachs International Limited  
The Kaisei Securities (Europe) Co., Ltd.  
Kleinwort Benson Limited  
The Lucky Securities Co., Ltd.  
Okasan International (Europe) Limited  
Toyo Securities Europe Ltd.

Westdeutsche Landesbank  
Girozentrale

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NEW ISSUE

April, 1991



INTEC INC.

U.S.\$100,000,000

4 PER CENT. NOTES DUE 1995 WITH WARRANTS

ISSUE PRICE 100 PER CENT.

The Nikko Securities Co., (Europe) Ltd.

Robert Fleming & Co. Limited  
Wako International (Europe) Limited  
Baring Brothers & Co., Limited  
New Japan Securities Europe Limited  
Bank of Tokyo Capital Markets Group  
Tokyo Securities Co. (Europe) Limited  
Banque Indosuez  
Cazenove & Co.  
Daiwa Europe Limited  
Hokuriku Finance (H.K.) Limited  
Kankaku (Europe) Limited  
Lehman Brothers International  
Merrill Lynch International Limited  
Ryoko Securities International Limited

IBJ International Limited  
Yamaichi International (Europe) Limited  
Mitsubishi Finance International plc  
S.G. Warburg Securities  
Citicorp Investment Bank Limited  
ABN AMRO  
Barclays de Zoete Wedd Limited  
Credit Suisse First Boston Limited  
Goldman Sachs International Limited  
The Kaisei Securities (Europe) Co., Ltd.  
Kleinwort Benson Limited  
The Lucky Securities Co., Ltd.  
Okasan International (Europe) Limited  
Toyo Securities Europe Ltd.

Westdeutsche Landesbank  
Girozentrale

This announcement appears as a matter of record only.

25th April, 1991

# NTN

## NTN CORPORATION

U.S.\$260,000,000

4 per cent. Bonds due 1995

with

Warrants

to subscribe for shares of common stock of NTN CORPORATION.

ISSUE PRICE 100 PER CENT.

Nomura International  
Sanwa International plc

Baring Brothers & Co., Limited  
Credit Lyonnais Securities  
Deutsche Bank Capital Markets Limited  
Goldman Sachs International Limited  
LTCB International Limited  
J.P. Morgan Securities Ltd.  
N M Rothschild & Sons Limited  
J. Henry Schroder Wag & Co. Limited  
Towa International Limited  
UBS Phillips & Drew Securities Limited

The Nikko Securities Co., (Europe) Ltd.  
Bank of Tokyo Capital Markets Group

Cazenove & Co.  
Daiwa Europe Limited  
Dresdner Bank  
KOKUSAI Europe Limited  
Mitsubishi Trust International Limited  
Morgan Stanley International  
Salomon Brothers International Limited  
Swiss Bank Corporation  
Toyo Trust International Limited  
S.G. Warburg Securities  
Yamaichi International (Europe) Limited

Yamaichi International (Europe) Limited

All these securities having been sold, this announcement appears as a matter of record only.

## INTERNATIONAL CAPITAL MARKETS

## Batch of bad news upsets traders in German bonds

By Sara Webb in London and Patrick Harverson in New York

D-MARK weakness, gloomy economic figures and rumours that the Soviet President, Mr Mikhail Gorbachev, had offered to resign, upset the German government bond market yesterday.

News that Mr Gorbachev had offered to resign from his position as head of the Communist party (the offer was rejected) coupled with poor German inflation data led to some selling of bonds, traders said, although bond prices were virtually unchanged on the day.

The cost of living in North-Rhine Westphalia, Germany's most populous state, rose 0.5 per cent in the month to mid-April, giving a year-on-year rise of 2.6 per cent. Dealers said this was taken as a sign that nationwide inflation figures would show a similar increase.

The lack of new federal government bond issues since the start of the year have helped to

## BENCHMARK GOVERNMENT BONDS

|               | Coupon | Red Date | Price    | Change   | Yield | Week ago | Month ago |
|---------------|--------|----------|----------|----------|-------|----------|-----------|
| UK Gilts      | 13.500 | 06/02    | 103.21   | +0.02/02 | 10.61 | 10.61    | 10.61     |
|               | 9.000  | 03/02    | 98.23    | +0.02/02 | 10.09 | 10.15    | 10.14     |
|               | 9.000  | 10/02    | 93.24    | +0.02/02 | 9.79  | 9.80     | 9.80      |
| US Treasury * | 7.750  | 02/01    | 97.30    | +0.02/02 | 6.63  | 6.18     | 6.18      |
|               | 7.575  | 02/21    | 96.05    | -0.02/02 | 6.16  | 6.02     | 6.02      |
| JAPAN No 119  | 4.800  | 6/91     | 97.500   | -0.13/4  | 7.15  | 7.04     | 7.04      |
|               | 6.400  | 3/92     | 98.500   | +0.02/02 | 6.74  | 6.65     | 6.65      |
| GERMANY       | 9.000  | 6/01     | 103.500  | -        | 5.41  | 5.38     | 5.38      |
| FRANCE BTAN   | 9.000  | 02/02    | 98.800   | +0.02/02 | 9.07  | 9.03     | 9.03      |
|               | 8.500  | 01/01    | 103.800  | +0.02/02 | 8.98  | 8.93     | 8.93      |
| CANADA        | 9.750  | 6/01     | 101.2500 | +0.02/02 | 8.25  | 8.26     | 8.26      |
| NETHERLANDS   | 8.500  | 6/01     | 98.3000  | -0.22/02 | 8.58  | 8.57     | 8.57      |
| AUSTRALIA     | 13.000 | 6/01     | 111.7500 | -0.02/02 | 10.94 | 10.94    | 10.94     |
| BELGIUM       | 10.000 | 6/01     | 105.0000 | -0.05/02 | 8.16  | 8.06     | 8.06      |

London closing, Yen/dollar New morning session

Yield: Local market standard

Price: US, UK in £22nd, others in decimal

Technicol Data/ATLAS Price Source

Afternoon auction of five-year notes.

By midday, the benchmark 30-year Treasury issue was down 1/2 at 95.6, yielding 8.02 per cent, while the two-year note was up 1/2 at 101.4, to carry a yield of 6.915 per cent. Trading activity was reported to be light.

Although the announcement of another large rise in the number of people claiming state unemployment insurance perked up the short end of the market, the impending injection of fresh supply left the long bond weaker, with dealers and investors paring positions to make room for the \$30m in notes due to be sold at 1pm.

With Fed funds trading below the Federal Reserve's target of 6 per cent, the Fed arranged overnight matched sales to drain liquidity from the banking system and push up the rate.

By midday, the Fed funds rate was unchanged at 5.5 per cent. The market prepared itself for the next few days.

## Brazil scraps broker system

By Victoria Griffith in San Paulo

THE Brazilian stock exchanges yesterday scrapped their exclusive broker system, moving closer to the auction system of the New York Stock Exchange.

Following a ruling by the National Monetary Council, buyers and sellers of equities can now close deals without broker intermediation.

The new rules will add flexibility to the stock exchanges by putting an end to the brokers' trading monopoly," said

Dr Elizabeth Garbayo, superintendent of market development at Brazil's stock market watchdog, the Comissao de Valores Mobiliarios (CVM).

Brazilian investors welcomed the change in rules. "The broker system has created an insiders' club at the exchanges," said Mr Antonio Carlos Molina, head of the fund manager company Brasipar Services Financieras. "This in turn fostered a shallow market,

the market won't catch on, because the market won't let it," he said.

## FT/ABCD INTERNATIONAL BOND SERVICE

Listed are the latest international bonds for which there is an adequate secondary market.

|  | Issue | Ex. | 90% | 91% | 92% | 93% | 94% | 95% | 96% | 97% | 98% | 99% | 00% | 01% | 02% | 03% | 04% | 05% | 06% | 07% | 08% | 09% | 10% | 11% | 12% | 13% | 14% | 15% | 16% | 17% | 18% | 19% | 20% | 21% | 22% | 23% | 24% | 25% | 26% | 27% | 28% | 29% | 30% | 31% | 32% | 33% | 34% | 35% | 36% | 37% | 38% | 39% | 40% | 41% | 42% | 43% | 44% | 45% | 46% | 47% | 48% | 49% | 50% | 51% | 52% | 53% | 54% | 55% | 56% | 57% | 58% | 59% | 60% | 61% | 62% | 63% | 64% | 65% | 66% | 67% | 68% | 69% | 70% | 71% | 72% | 73% | 74% | 75% | 76% | 77% | 78% | 79% | 80% | 81% | 82% | 83% | 84% | 85% | 86% | 87% | 88% | 89% | 90% | 91% | 92% | 93% | 94% | 95% | 96% | 97% | 98% | 99% | 00% | 01% | 02% | 03% | 04% | 05% | 06% | 07% | 08% | 09% | 10% | 11% | 12% | 13% | 14% | 15% | 16% | 17% | 18% | 19% | 20% | 21% | 22% | 23% | 24% | 25% | 26% | 27% | 28% | 29% | 30% | 31% | 32% | 33% | 34% | 35% | 36% | 37% | 38% | 39% | 40% | 41% | 42% | 43% | 44% | 45% | 46% | 47% | 48% | 49% | 50% | 51% | 52% | 53% | 54% | 55% | 56% | 57% | 58% | 59% | 60% | 61% | 62% | 63% | 64% | 65% | 66% | 67% | 68% | 69% | 70% | 71% | 72% | 73% | 74% | 75% | 76% | 77% | 78% | 79% | 80% | 81% | 82% | 83% | 84% | 85% | 86% | 87% | 88% | 89% | 90% | 91% | 92% | 93% | 94% | 95% | 96% | 97% | 98% | 99% | 00% | 01% | 02% | 03% | 04% | 05% | 06% | 07% | 08% | 09% | 10% | 11% | 12% | 13% | 14% | 15% | 16% | 17% | 18% | 19% | 20% | 21% | 22% | 23% | 24% | 25% | 26% | 27% | 28% | 29% | 30% | 31% | 32% | 33% | 34% | 35% | 36% | 37% | 38% | 39% | 40% | 41% | 42% | 43% | 44% | 45% | 46% | 47% | 48% | 49% | 50% | 51% | 52% | 53% | 54% | 55% | 56% | 57% | 58% | 59% | 60% | 61% | 62% | 63% | 64% | 65% | 66% | 67% | 68% | 69% | 70% | 71% | 72% | 73% | 74% | 75% | 76% | 77% | 78% | 79% | 80% | 81% | 82% | 83% | 84% | 85% | 86% | 87% | 88% | 89% | 90% | 91% | 92% | 93% | 94% | 95% | 96% | 97% | 98% | 99% | 00% | 01% | 02% | 03% | 04% | 05% | 06% | 07% | 08% | 09% | 10% | 11% | 12% | 13% | 14% | 15% | 16% | 17% | 18% | 19% | 20% | 21% | 22% | 23% | 24% | 25% | 26% | 27% | 28% | 29% | 30% | 31% | 32% | 33% | 34% | 35% | 36% | 37% | 38% | 39% | 40% | 41% | 42% | 43% | 44% | 45% | 46% | 47% | 48% | 49% | 50% | 51% | 52% | 53% | 54% | 55% | 56% | 57% | 58% | 59% | 60% | 61% | 62% | 63% | 64% | 65% | 66% | 67% | 68% | 69% | 70% | 71% | 72% | 73% | 74% | 75% | 76% |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |

## INTERNATIONAL CAPITAL MARKETS

# Heavy supply of issues in French franc sector

By Tracy Corrigan

TWO further issues totalling FF2bn brought the level of supply in the French franc sector of the Eurobond market to FF4.5bn in the past two days.

Credit National, the French financial institution, and a unit of Deutsche Bank each launched FF1bn of paper yesterday, following Banque Nationale de Paris' FF1.5bn deal on Wednesday.

Secondary market spreads in the French market sector have tightened over the past month or so due to the shortage of paper in the primary market.

Most government-owned borrowers, having lost their government guarantees for Euro-bond issues, are sticking to the French domestic market rather than pay a premium to tap the Eurobond market. At the same time, the strength of the French government bond market, and its gains against the German market, have buoyed foreign demand for French franc bonds.

The tightening of spreads has allowed borrowers to achieve their funding targets through the swaps market. The

## INTERNATIONAL BONDS

Crédit National deal was swapped in the floating-rate French francs at a couple of basis points below the Paris interbank offered rate (Pibor). A number of other issuers are currently looking at the market.

The market was able to absorb the heavy supply quite easily, as the paper was spread across a wide range of maturities, from four years for Crédit National to 10 years for Deutsche, and among different groups of investors. The Crédit National deal, fungible with an outstanding FF1bn issue, was placed mainly with domestic institutions, while the Deutsche deal met strong demand among German retail investors.

Another short-dated dollar deal, for Kansallis-Osake-Pankki, the Finnish bank, emerged. The \$200m four-year issue was priced to yield 85

basis points over the average of three and five year US Treasury issues (the four-year Treasury is not a liquid benchmark).

The Treasury yield curve between three years and five years is unusually steep, with a differential of about 50 basis points. This has created arbitrage opportunities in the swaps market. However, dealers say the volume of short-dated dollar deals has exceeded demand.

• National Westminster Bank has raised \$750m of subordinated debt in the Yankee bond market, the first bank to tap the sector this year. The 10-year bonds, launched by Goldman Sachs, were priced to yield 140 basis points more than the comparable US Treasury.

Dealers said the Yankee market was currently the cheapest source of subordinated funding, which banks are keen to order in order to meet capital adequacy requirements. There is a strong appetite for high-yielding products among US institutional investors, according to traders.

## Hungary to build share portfolio to back bonds

By Nicholas Denton in Budapest

HUNGARY plans to build a share portfolio to back a planned issue of convertible bonds, a privatisation official said yesterday.

American Express took the unprecedented step this week of cutting its commission on food and drink bills charged to its green and gold cards. It was responding to a threatened boycott by recession-hit restaurants in Boston. It will reduce the fee on a sliding scale, with large restaurants getting a half-percentage point drop to 2.75 per cent.

As a first step the State Property Agency (SPA), the privatisation authority, has put aside a 10 per cent state stake in a blue chip company to inaugurate the fund, according to Mr Peter Rajcsanyi, a director. Buyers of Hungarian convertible bonds could exercise them into shares from this fund.

After approval of the draft scheme, expected within a month, state stakes in about 24 partially-privatised companies would be added to the portfolio, Mr Rajcsanyi said.

Half of these companies would come from Hungary's First Privatisation Programme, a project begun last September to put 20 of the country's best companies into private ownership.

Once the Hungarian National Bank had decided on the timing, a single investment bank would be chosen to manage the convertible bond issue, he said.

Mr Rajcsanyi's remarks follow a statement by Mr Lajos Bakros, president of the Budapest Stock Exchange, that Hungary planned to issue \$150m-\$200m worth of convertible bonds on the back of at least \$250m worth of shares.

Convertible bonds are an imaginative way of linking Hungary's ambitious privatisation programme with paying the country's \$2 billion foreign debt, the highest per capita in eastern Europe.

"This is a novelty and we expect a relatively high interest in capital markets," Mr Rajcsanyi said yesterday. "If we come up with new ideas and new opportunities, then interest and eagerness can be maintained," he said.

Hungarian officials think that the new type of bonds would contain national borrowing costs. Making Hungarian bonds convertible would give a foundation to them that went beyond the usual guarantee of the national central bank, Mr Rajcsanyi said.

## Banks take interest in credit cards

Bernard Simon analyses moves in a fight to keep lucrative business



American Express this week cut commission on its cards

sure. First Chicago, whose city's biggest credit card issuer, recently launched a service which guarantees that its card-holders pay the lowest prices available on the goods they buy. The bank says it has received claims numbering "in the hundreds" since the promotion began three weeks ago.

Some banks are bringing down the interest rates they charge on outstanding card balances.

First Wachovia, the Atlanta-based super-regional bank, this week offered the lowest rate of any leading issuer on a floating rate of prime plus 2.9 percentage points, which at present translates to 11.6 per cent.

The \$35 annual fee is higher however, than most other cards.

Chemical Bank, the 20th biggest issuer, is also introducing a floating rate on its Visa and MasterCard, thought at considerably higher rates than First Wachovia.

Financial institutions are loath to lose card-holders at a time when many other parts of their business are under pressure.

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by 9.1 per cent last year to \$23.4m, and billings jumped by 15.4 per cent.

But the fruits of this growth are by no means being spread around evenly. Visa's market share, now at 43 per cent, is growing. MasterCard at 26 per cent and American Express at 24 per cent are losing ground.

American Express set aside \$50m in the first quarter for credit write-offs on its cards. It ascribed the modest 2.2 per cent rise in the number of its US cards in the first three months of this year to stricter screening of applications and "an intentional tightening" of its marketing efforts.

But many American Express competitors show no sign of easing up on their promotion campaigns. While the biggest banks are generally loathe to succumb to public pressure for lower interest charges, their packages of services and benefits to card holders keep expanding.

Citibank, for example, has left its interest rate on its Visa and MasterCard unchanged since 1981. But it now offers, among other things, extended warranties on purchases made with its cards, discounts on long-distance phone calls, plus the latest price guarantee scheme.

Five years ago, the 25 biggest Visa and MasterCard issuers accounted for about 47 per cent of the market.

That slice has now grown to 60 per cent. Mr David Robertson, president of the Nilson Report, a California-based publication which tracks the credit card business, estimates that AT&T had by last December vaulted into sixth position among card issuers, with 4.5m holders.

Sears, the Chicago-based retailing and financial services

group, is now trying to get a Visa franchise through its purchase of a failed savings and loan institution. Its Discover card is also the third most popular card.

Despite the recession, the credit card business continues to grow. The number of cards in circulation in the US grew

sufficient. Furthermore, foreign investors will no longer need to submit a stock certificate.

Mr Sington said the reforms would address stockbrokers' concerns about delays in the repatriation of foreign investments, to ease the workload of the central bank, cutting processing time for the remaining 10 per cent of investors.

Dividend repatriation is to be speeded by removing the need for approval from both the corporation issuing a security and the broker or custodian bank involved. Approval of the "transfer agent" - invariably a bank - will be

## Philippines moves to attract foreign investors

By Greg Hutchison in Manila

THE Philippines' central bank plans to simplify procedures for repatriating proceeds of portfolio investments. These could take effect from June.

This measure, with imminent reforms to laws governing foreign investments, appears to be a manifestation of the government's desire to make the country more attractive to foreign investors.

Mr Gabriel Singson, deputy central bank governor, said the

rules will simplify the registration and repatriation of foreign investments in officially-approved Philippine securities.

They would cut down the registration and repatriation time to an average of 10 working days, against three months currently.

The changes include the central bank authorising custodian banks - which conduct 90 per cent of securities transactions - to issue securities

transaction documents. The measure is therefore expected to ease the workload of the central bank, cutting processing time for the remaining 10 per cent of investors.

Dividend repatriation is to be speeded by removing the need for approval from both the corporation issuing a security and the broker or custodian bank involved. Approval of the "transfer agent" - invariably a bank - will be

## NEW INTERNATIONAL BOND ISSUES

| Borrower                  | Amount m. | Coupon % | Price   | Maturity | Fees   | Book runner             |
|---------------------------|-----------|----------|---------|----------|--------|-------------------------|
| US DOLLARS                |           |          |         |          |        |                         |
| Kansallis-Osake-Pankki(a) | 200       | 8 1/2    | 101.475 | 1995     | 1% 1/2 | CSFB                    |
| Euros                     | 74,053    | 10%      | 107.80  | 2001     | -      | Paribas Capital Mkt.    |
| EDFB(b)                   |           |          |         |          |        |                         |
| CANADIAN DOLLARS          |           |          |         |          |        |                         |
| KWF International Fin.(c) | 100       | 10       | 99.575  | 2001     | 2 1/2  | Merrill Lynch Int.      |
| FRENCH FRANCS             |           |          |         |          |        |                         |
| Deutsche Bank Fin.NV(d)   | 1bn       | 8 1/4    | 101.065 | 2001     | 4 1/2  | Equa.Nationale de Paris |
| Credit National(e)        | 7bn       | 8 1/4    | 100.975 | 1994     | CCF    |                         |
| SWISS FRANCS              |           |          |         |          |        |                         |
| Hydro Quebec(f) +kt       | 160       | 8%       | 101 1/4 | 2001     | -      | UBS                     |

(a)Private placement. (b)Convertible with equity warrants. (c) Floating rate note. (d)Final terms. (e) Non-callable. (f) Fungible with existing CCF200m deal. Non-callable. (g) Fungible with existing FF100m deal. Non-callable.

## Brazil woodpulp producer plans ADR

By Christina Lamb in Rio de Janeiro

ARACRUCZ Celulose, Brazil's leading woodpulp producer, is planning an international share issue on the New York Stock Exchange to raise between \$100m and \$150m in the form of American Depository Receipts.

Mr Mauro Molchansky, the company's financial director, said: "We would like to open a window on the international

markets to finance projects for the next decade and amortise some of our debt."

Aracruz has, like other Brazilian companies, been hit by the country's low standing in the international financial community for its non-payment of debt. Limiting sources of external financing and forcing companies to find more imaginative avenues.

## LONDON MARKET STATISTICS

### RISES AND FALLS YESTERDAY

| British Bonds, Corporate, Domestic and Foreign Bonds | Rises      | Falls      | Same         |
|--|------------|------------|--------------|
| Industrial   | 75         | 5          | 11           |
| Financial  | 252        | 349        | 940          |
| Properties   | 123        | 112        | 507          |
| Plastics   | 19         | 21         | 10           |
| Metals   | 46         | 46         | 129          |
| Others   | 55         | 56         | 43           |
| <b>Totals</b>  | <b>573</b> | <b>556</b> | <b>1,682</b> |

### FIXED INTEREST STOCKS

| Issue    | Amount  | Latest      | 1991   | Stock                               | Closing | + or - |
|----------|---------|-------------|--------|-------------------------------------|---------|--------|
|          | Paid Up | Return Date | High   | Low                                 | Price   | %      |
| 100 P.P. | 102     | 103         | 100.50 | Hawker Siddeley Co. Plc             | 100.50  | -1/4   |
| 100 P.P. | 102     | 103         | 99.50  | Hawker Siddeley Co. Plc, Pfd. Cl. A | 99.50   | -1/4   |
| 100 P.P. | 102     | 103         | 99.50  | Hawker Siddeley Co. Plc, Pfd. Cl. B | 99.50   | -1/4   |
| 100 P.P. | 102     | 103         | 99.50  | Hawker Siddeley Co. Plc, Pfd. Cl. C | 99.50   | -1/4   |
| 100 P.P. | 102     | 103         | 99.50  | Hawker Siddeley Co. Plc, Pfd. Cl. D | 99.50   | -1/4   |
| 100 P.P. | 102     | 103         | 99.50  | Hawker Siddeley Co. Plc, Pfd. Cl. E | 99.50   | -1/4   |
| 100 P.P. | 102     | 103         | 99.50  | Hawker Siddeley Co. Plc, Pfd. Cl. F | 99.50   | -1/4   |
| 100 P.P. | 102     | 103         | 99.50  | Hawker Siddeley Co. Plc, Pfd. Cl. G | 99.50   | -1/4   |
| 100 P.P. | 102     | 103         | 99.50  | Hawker Siddeley Co. Plc, Pfd. Cl. H | 99.50   | -1/4   |
| 100 P.P. | 102     | 103         | 99.50  | Hawker Siddeley Co. Plc, Pfd. Cl. I | 99.50   | -1/4   |
| 100 P.P. | 102     |             |        |                                     |         |        |

# STORA Notice to Shareholders

Notice is hereby given that the Annual General Meeting of the company will be held on Wednesday 15th May 1991 at 3.00 pm at Lugnet, in Falun, Sweden.

## Notification of Participation

To be entitled to take part in the meeting, shareholders must:-

- be recorded in the share register no later than 3rd May 1991,
- notify their intention of participating in the meeting no later than 4.30 pm, 13th May 1991.

Notification of participation in the meeting can be made by telephone, +46 23 80 000, or by post to STORA, S-791 80 Falun, Sweden.

The STORA share register is maintained by the Swedish Securities Register Center (VPC) AB. Shareholders in STORA are either registered as owners or through a trustee. Only shareholders registered as owners are entitled to participate in the meeting.

To be entitled to participate in the meeting, shareholders whose shares are held in the name of a trustee must register the shares in their own name. To ensure that shares can be registered in the name of the owner in time, shareholders whose shares are held in the name of a trustee, bank or brokerage firm should request that the shares be registered, temporarily, in their own name prior to 3rd May 1991.

## Agenda

The transaction of business that shall normally come before the meeting, in accordance with the provisions contained in the company's Articles of Association, includes: the presentation of the parent company's annual report and the report of the auditors for 1990, together with the group accounts and group auditor's report; approval of the parent company's income statement and balance sheet and of the group income statement and balance sheet; release of the members of the board of directors and president from liability for the year; the disposition of profit in accordance with the approved balance sheets, and the election of the company's board of directors and auditors.

## Dividend

The board of directors has proposed that 23rd May 1991 be the record date. If the meeting votes to approve the record date proposed, it is expected that dividend will be distributed on 30th May 1991 by the Swedish Securities Register Center.

# STORA

STORA KOPPARBERGS BERGLAGS AB NEBOLAG

New Issue  
April 1991

## Offer for Sale 8½% Bearer Bonds of 1991 (2001)

Kreditanstalt für Wiederaufbau, Frankfurt/Main, issues 8½% Bearer Bonds of 1991 (2001) in a total amount of

**DM 800,000,000.-**

The net proceeds of this issue will be used for long-term investment loans. DM 750,000,000,- of this amount are offered for sale by the syndicate of banks listed below.

### Issue Price:

100 ¼% with adjustment of interest.

### Interest:

8½% p.a., payable annually in arrears on April 30 of each year. The first interest coupon will be due on April 30, 1992. Payments of interest on the Bonds will be subject to the German Income Tax.

### Denomination:

DM 100,- or a multiple thereof.

### Lifetime/Redemption:

10 years. The Bonds will be redeemed on April 30, 2001 at par. Redemption prior to maturity is excluded.

### Ranking as Trust Investments/ Eligibility for Investments by Insurance Companies:

The Bonds rank as trust investments and are eligible for investments by insurance companies, according to the German laws.

### Listing:

The Bonds will be admitted for trading and official quotation on all stock exchanges of the Federal Republic of Germany.

### Eligibility as Collateral for Loans by Deutsche Bundesbank ("lombardfähig"):

The Bonds are eligible as collateral for loans by Deutsche Bundesbank ("lombardfähig") upon admittance for trading and official quotation.

### Delivery:

The Bondholder receives a Central Deposit Advice from the bank appointed by him. Definitive Bonds will not be available. The Bond issue will be evidenced by a Global Certificate.

### Sale:

The Bonds will be offered for sale by the undersigned banks as from April 29, 1991.

### Stock Index Number:

276 042 Euro-Clear Security Code Number: 76 042

The detailed Offer for Sale is available from the banks. Allotments of Bonds will be at the discretion of the selling banks.

Frankfurt/Main, April 1991

ADCA-Bank Aktiengesellschaft

Allgemeine Deutsche Credit-Anstalt

Amro Handelsbank Aktiengesellschaft

Arab Banking Corporation -

Daus & Co. GmbH

Bankhaus H. Aufhäuser

Baden-Württembergische Bank

Akkreditivbank

Bank für Gemeinschaft Aktiengesellschaft

Bank in Lichtenstein (Frankfurt) GmbH

Bank of Tokyo (Deutschland)

Aktiengesellschaft

Bankenamt Frankfurt am Main

Aktiengesellschaft

Banks Trust GmbH

Banque Paribas Capital Markets GmbH

Bayerische Hypotheken und Wechsel-Bank

Aktiengesellschaft

Bayerische Landesbank

Kreditanstalt Oldenburg - Girozentrale -

Chase Bank Aktiengesellschaft

Citibank Aktiengesellschaft

Commerzbank Aktiengesellschaft

Credit Agricole (Deutschland) Aktiengesellschaft

Credit Lyonnais SA & Co (Deutschland) oHG

Credito Italiano Bank AG

Deutsche Bank Aktiengesellschaft

## UK COMPANY NEWS

**N Brown placing as profits rise 12%**

By John Thornhill

**N BROWN** Group, the home shopping concern, joined the long list of companies seeking funding from the stock market yesterday when it asked shareholders for a net £16.4m to finance the development of a centralised warehouse and distribution centre.

The placing and open offer, which represents the first time the company has sought equity finance since 1971, is on a 1-for-3 basis at 200p per share. The issue was well received in the City and the shares closed up higher at 228p.

Sir David Alliance, chairman, and his family trusts, have bought an additional 1m shares in the company, taking their total holding to 85 per cent, and have agreed to take up their full entitlement of shares under the issue.

The placing has been conditionally placed with institutional investors by Barclays de Zoete Wedd, subject to claw-back from existing shareholders.

N Brown also brought forward its annual results yesterday to coincide with the rights issue. These showed that pre-tax profits had advanced by 12 per cent to £14.0m on sales of

£140.17m (£126.57m). Earnings per share rose from 13.5p to 15.67p and a final dividend of 4p is recommended for a total of 5.65p, a 7.6 per cent increase.

The proceeds of the rights issue will offset the £2m cost of developing the company's warehouse at Shaw, near Macclesfield. By the end of the year N Brown had already spent £18m on the project.

Following the rights issue, the company's gearing level will fall from 119 per cent to 56 per cent, helping to reduce its interest charge, which last year amounted to £5.85m.

The company's core catalogues, targeted mainly at niche markets, were said to have contributed a satisfactory performance. During the year N Brown also launched another three catalogues including one for the disabled.

"There are 4m people from the wheelchair-bound to those with rheumatism who are classified as disabled. The high street does not look after them so we launched a catalogue for them," said Mr Jim Martin, managing director.

He said he remained unconcerned by the recent consolidations



Sir David Alliance: increased his holding in company

tion of the UK mail order industry which had seen Otto Versand, of Germany, snap up Grattan from Next and Redoute Groupe, of France,

buy Empire Stores Group. But he added that in due course N Brown would look to develop its presence in continental Europe.

TT lifts bid for Magnetic from £6.8m to £9.2m

By Vanessa Houlder, Property Correspondent

**TT** Group, the industrial holding company, has increased its hostile bid for Magnetic Materials Group, the USM quoted maker of magnetic components, from £6.8m to £9.2m, writes Jane Fuller.

This followed TT's purchase yesterday of a further 7.4 per cent stake at 50p per share, against the original offer price of 37p. TT now controls 24.8 per cent of its target.

MGM's share price has risen 10p to 51p since the first offer was announced on April 17.

TT said the new offer represented a historic p/e of 13.4, but MMG said the price still did not reflect the underlying value of its niche businesses, which supply long-term growth sectors - telecommunications, aerospace, automotive and instrumentation.

It also stressed its gearing of 14.4 per cent on net debt of £1.5m at the June year-end, and the net asset value of 61.6p.

**Frogmore hits out at Southend Prop's gearing**

By Vanessa Houlder, Property Correspondent

**SOUTHEND** Property Holdings, which is attempting to become one of the largest quoted property companies particularly those concentrated in offices and retail, have shown considerable declines," it said.

Mr Malcolm Dagul, chairman of Southend, said that the relatively small decline was explained by the absence of any City of London properties and a conservative internal valuation last year.

Southend said that its gearing after revaluation was 12.3 per cent and £100m of its £158m borrowings were in the form of a 35-year quoted debenture at a fixed interest cost of 6.9 per cent after tax.

The merged group would have gearing of 49 per cent and would have gross assets in excess of £500m, net assets of £330m and net borrowings of £15m.

See Lex

Frogmore Estates hit back, however saying that: "Southend's offer is no more than an attempt to solve a very real gearing problem at Frogmore shareholders' expense".

In the office document posted yesterday, Southend announced a revised net asset value per share of 147p. This

also stressed its gearing of 14.4 per cent on net debt of £1.5m at the June year-end, and the net asset value of 61.6p.

Frogmore said it noted this

revised figure with considerable surprise. "Recently reported net asset values of other property companies, particularly those concentrated in offices and retail, have shown considerable declines," it said.

Mr Malcolm Dagul, chairman of Southend, said that the relatively small decline was explained by the absence of any City of London properties and a conservative internal valuation last year.

Southend said that its gearing after revaluation was 12.3 per cent and £100m of its £158m borrowings were in the form of a 35-year quoted debenture at a fixed interest cost of 6.9 per cent after tax.

The merged group would have gearing of 49 per cent and would have gross assets in excess of £500m, net assets of £330m and net borrowings of £15m.

There has been speculation that Northern Telecom would sell the business ever since it acquired STC in an agreed £1.9bn deal last November.

**Bank issues writ against Raglan Prop Trust**

By Vanessa Houlder, Property Correspondent

**RAGLAN PROPERTY** Trust yesterday announced that Security Pacific, one of its bankers, had placed its Picies Place subsidiary into receivership and issued a writ against the parent company.

The subsidiary, which is in the hands of Price Waterhouse, developed a scheme comprising a supermarket, shops and offices in Horsham, West Sussex. Although the supermarket and a number of the shops are let and trading, the development has fallen sharply in value.

The writ issued by Security Pacific on April 9 is thought to concern the £1m limited recourse loan that financed the scheme. There is a dispute about the construction cost overruns that have been guaranteed by the parent company.

Raglan said it would vigorously defend the action.

Raglan said its principal bankers - Bradford Benson, Midland and National Westminster - had been informed about these events and had confirmed their support.

Raglan's share price fell 7/8p

to 270.5p (£181.2m), a 14 per cent increase, but profit before interest fell by 37 per cent to £10.5m (£16.8m) in spite of an £80,000 benefit from a change in depreciation policy.

Although £1.3m (£1.8m) cash

was held in January, debt peaked at nearly £15m and £1m

interest charges replaced £240,000 income. Rationalisation costs of £1m were also taken above the line.

A four-year expansion pro-

gramme that increased shop

floorspace by 60 per cent to

880,000 sq ft and the number of outlets to about 250 was com-

pleted by the middle of the year.

Mr Rodney East, chief executive, said the large amount of new space had put

pressure on costs, which were also pushed up by rents, rates

and wages.

Mr Keith Miles, finance

director, said the tax and

high mortgage rates had hit its

customers, traditionally

younger women in the C1/C2 social group.

In response to the decrease

in the number of 15 to 25-year-olds,

Etam's pre-tax figure was

the worst since 1984 and the

dividend was 1.3 times

covered by earnings per share of 7.51p (£1.15).

Turnover failed to grow

to £206.5m (£181.2m), a 14 per

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**ABN-AMRO Holding N.V.**  
 established in Amsterdam

## GENERAL MEETING OF SHAREHOLDERS

The annual General Meeting of Shareholders of ABN AMRO Holding N.V. will be held at 20-22 Foppingadreef, Amsterdam-Zuidoost at 2.30 p.m. Friday, 17 May 1991.

The agenda and the annual report for the year 1990, including the financial statements, are open for inspection and may be obtained free of charge at the Head Office in Amsterdam (595 Herengracht) and the banks mentioned below. The items on the agenda include the institution of a Shareholders' Committee, the adoption of the committee's regulations and the appointment of its members. The particulars of the candidates and the regulations of the committee are open for inspection and may be obtained free of charge at the company's office.

All shareholders and holders of depositary receipts may attend the meeting either in person or by a proxy authorised in writing, provided that the holder of ordinary bearer shares and depositary receipts have deposited their share certificates and depositary receipts, respectively, not later than Monday, 13 May 1991, at one of the following banks:

Netherlands: any office of:  
Algemene Bank Nederland N.V. and  
Amsterdam-Rotterdam Bank N.V.

Belgium: any office of:  
Generale Bank,  
Bank Brussel Lambert N.V.,  
Kredietbank N.V.,  
Algemene Bank Nederland (België) N.V.

Germany: any office of:  
Deutsche Bank A.G.,  
Commerzbank A.G.,  
Dresdner Bank A.G.,  
Westdeutsche Landesbank Girozentrale Frankfurt,  
Düsseldorf and Hamburg, insofar as present (the),  
Bayerische Hypotheken- und Wechsel-Bank A. (Munich),  
Algemene Bank Nederland (Deutschland) A.G. (amburg),  
AMRO Handelsbank A.G. (Cologne).

United Kingdom: Baring Brothers & Co. Ltd. (London),  
Algemene Bank Nederland N.V. (London, Birmingham and Manchester),  
Amsterdam-Rotterdam Bank (London).

France: Banque de Neuflize, Schlumberger, Mallet & Cie,  
Société Générale (Paris)  
Lazard Frères & Cie (Paris),  
any office of Banque National de Paris.

Singapore: The Development Bank of Singapore Limited  
Algemene Bank Nederland N.V.

Switzerland: any office of:  
Schweizerischer Bankverein,  
Schweizerische Bankgesellschaft,  
Schweizerische Kreditanstalt,  
M.M. Pictet & Cie (Geneva),  
Algemene Bank Nederland (Schweiz) A.G.,  
AMRO Bank und Finanz (Zürich).

Holders of registered shares wishing to attend the meeting either in person or by a proxy authorised in writing must inform the Managing Board of the company inviting of their intention to do so (P.O. Box 600, 1000 AP Amsterdam) not later than Monday, 13 May 1991.

Persons other than shareholders and holders of depositary receipts who are entitled to attend the meeting must also notify the Managing Board of the company in writing of their intention to do so not later than Monday, 13 May 1991.

Subject to the provisions in the Articles of Association, holders of ordinary shares and preference shares may exercise their voting rights at the meeting.

The receipt in exchange for the deposited shares or depositary receipts will serve as the attendance card for the meeting. The holders of registered shares will receive an attendance card by post.

The report referred to in article 14 of the Trust Conditions of Stichting Administratiekantoor ABN AMRO Holding on the activities performed by the Trust Office during the year under review is included in the company's annual report.

The Managing Board

Amsterdam, 24 April 1991


**ABN-AMRO Holding N.V.**

# Moving our headquarters to our most successful property investment nearly puts us in the Tower.

On May 1st, Taylor Woodrow's Group Headquarters will be established at the World Trade Centre, which is part of one of the most ambitious and comprehensive developments we've ever undertaken. A 28 acre riverside site where new offices, shops, restaurants and bars blend sympathetically with carefully restored older buildings. It's already proved our most successful property investment. It's called St. Katharine by the Tower. So you can guess where our head office would have ended up had we extended the development any further. For more information contact: Trevor Jones, Taylor Woodrow Group Headquarters, World Trade Centre, 1 St. Katharine's Way, London, E1 9TW. Tel: 071-488 0555.

## UK COMPANY NEWS

## Japanese group pays £7m for Pilkington offshoot

By Michiyo Nakamoto

PILKINGTON, the UK glassmaker, is selling Pilkington Reinforcements, a wholly-owned subsidiary to Nippon Sheet Glass Group of Japan for a cash consideration of £7m.

The disposal takes Pilkington a step forward in its reorganisation strategy that was outlined at the end of last year after the group saw pre-tax profits fall 30 per cent in the six months to September to £103.2m.

At the end of last year Pilkington again became the subject of takeover rumours as BT, which had bid for the company back in 1986, raised its stake from 3.75 per cent to 4.04 per cent.

Mr Andrew Robb, finance director of Pilkington, stressed that the disposals were motivated purely by strategic considerations and were not related to any bid speculation.

However, after the disappointing results, and after BT had increased its stake, Sir Antony Pilkington, chairman, admitted that the group needed to consider divesting itself of non-core businesses and eliminating loss-making operations in order to focus more closely on its major flat and safety glass activities.

Since the beginning of the year the group has already sold two companies in the insulation business, closed its sheet glass plant in New Zealand and its Australian high rise curtain walling business.

It also sold part of its 6.8 per cent shareholding in Taiwan Glass Industry Corporation to Nippon Sheet Glass and is in the process of selling its 50 per cent stake of Pilkington Optronics to Thomson CSF, the



Trevor Humphries

French defence electronics group.

Pilkington Reinforcements, which processes glass fibre filaments and yarns into reinforcement cords for use mainly in vehicle engines and industrial machinery, did make a profit last year and the sales price to Nippon Sheet Glass is at a premium to net asset value.

Pilkington does not make the raw material fibre that goes into the reinforcement cords, it said.

Nippon Sheet Glass, which makes flat and safety glass, mainly for the Japanese market, is involved in the reinforcement business through its Nippon Glass Fibre subsidiary.

The Japanese group has been increasing its exposure to international markets. Apart from acquiring part of Pilkington's stake in Taiwan Glass

Optronics to Thomson CSF, the

group has been underwritten by Baring Brothers and Rowe & Pitman acting as brokers.

All the company's directors are to take up their entitlements in full except for Mr Jeffrey Collis who is to sell sufficient rights until paid to enable him to subscribe for the balance of his entitlement.

Cash call at Pressac to fund US expansion

By David Owen

PRESSAC HOLDINGS, the circuit board, electronic and electro-mechanical component maker, is jumping on the rights issue bandwagon and raising £5.7m net, principally to fund US expansion.

The group intends to spend £2m on upgrading its Alameda circuit board assembly factory. The new plant is expected to be installed by March 1992.

The offer, of up to 8,182 new shares, will be on a 1-for-2 basis at 75p a piece. The shares, which fell 12p before the announcement, closed down 9p yesterday at 88p.

Mr Geoff White, chief executive, said that the proposed investment would enhance Pressac's position as a supplier of flexible printed circuits to the automotive industry. Net reduction of group debt of approximately £5m would be between £500,000 and £700,000.

A month ago, Pressac

reported a slight rise in interim profits to £1.15m (£1.02m).

At the time Mr Roger Bolster, chairman, said that the US recession was "particularly affecting" the automotive industry but argued that it would be "short-sighted to delay an investment programme because of the present economic decline".

The issue has been underwritten by Baring Brothers and Rowe & Pitman acting as brokers.

All the company's directors are to take up their entitlements in full except for Mr Jeffrey Collis who is to sell sufficient rights until paid to enable him to subscribe for the balance of his entitlement.

## PUBLIC NOTICE


**MMC INVESTIGATION INTO THE SUPPLY OF CROSS-SOLENT FERRY SERVICES**

The Monopolies and Mergers Commission are investigating whether there is a monopoly in the supply of ferry services between the Isle of Wight and the mainland of England, and if so, whether any aspect of the supply of ferry services operates against the public interest.

Any person wishing to give information or views on the matter should write, and if possible not later than 10 May 1991 to:

The Reference Secretary (Solent Ferries Monopoly Inquiry), Monopolies and Mergers Commission, New Court, 48 Carey Street, London WC2A 2JT

## MOTORS

**NORMANDY CITY OF LONDON**


We invite you to view the Mercedes-Benz Range in our showrooms


**NORMANDY CITY LIMITED**

3-5 Old Bailey London EC4

071-236 3745

Please contact Sarah Lewis or Jeffery Young.

## THE MEDITERRANEAN FUND LIMITED

International Depositary Receipts issued by

Morgan Guaranty Trust Company of New York

Notice is hereby given that the Mediterranean Fund declared a distribution of USD 1 per share. The record date of this dividend is 11 March 1991.

As of May 2, 1991, payment of coupon number 1 of the International Depositary Receipts will be made in US Dollars at the net sum of USD 9.75 per IDR after deduction of Depositary fees USD 0.25.

This dividend has suffered a deduction of 25% UK withholding tax.

Payment will be made at one of the following offices of Morgan Guaranty Trust Company of New York:

- Brussels, 25 Avenue des Arts
- London, 1 Angel Court
- Paris, 46 Boulevard Haussmann
- Zurich, 38 Stockenstrasse

Depository: Morgan Guaranty Trust Company of New York

25 Avenue des Arts

1000 Brussels

J.P. Morgan

## FT SURVEYS

## SWITZERLAND 700 Years

The FT proposes to publish this survey to celebrate Switzerland's 700th anniversary on

10th June 1991.

54% of Chief Executives of Europe's largest companies read the FT. If you want to reach this important audience, by advertising in this survey call Patricia Surridge on 071 873 3426 or fax 071 873 3079 or Nigel Bicknell in Geneva. Tel 022 7311604, Fax 022 7319461

The survey is being called to appoint one replacement Managing Director to the Board of the Company and to consider alternative candidates.

The agenda of the meeting is deposited for the shareholders for inspection at the office of the Company at 15 Peterborough, Croydon, CR0 4LS.

By order of

The Board of Management Directors.

## FT SURVEYS

July 1st 1991

**TAYLOR WOODROW**







## LONDON STOCK EXCHANGE

## Early gains reversed before the close

THE L stock market gave ground again yesterday as Wall Street continued to stall and another round of minor rightsissues from UK companies eded the cash reserves of their investment institutions, as calls since the turn of the year now exceed £2bn.

Fifteenth trading results from the blue chip chemical group which is widely held by institutions, brought little cheer to the market, although the up in profits was in line with the most optimistic forecasts in the City of London. Weeps in sterling dealt a fresh blow to lingering hopes for another early cut in UK interest rates.

Bourses opened higher after Wall Street's improvement overnight and extended their gains very briefly to move to within six points of the

downside. The Dow Industrial Average was slightly off in early trading and London quickly showed a net fall of 5.5 on the Footsie before steady gains on the loss on the Dow were reduced to 14 points in London trading hours.

At the close, the FT-SE Index stood at 2,422.1 for a net loss on the day of 6.5 points. Share volume edged higher to 463.8m shares from the 436.7m of the previous session but remained disappointingly low by the bull market standards achieved only six weeks ago.

Yesterday's trading volume total included significant business in Reuters shares, where selling was led from the US stock markets after the annual meeting of the global electronics reporting group was told that revenues would be flat in the months ahead.

Rights issue calls, together with the decline in daily trading volumes and numerous placings of stock, are putting pressure on liquidity in the stock market. There were further somewhat despatched suggestions yesterday that a large takeover bid for a company on

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# An industry that girdles the earth

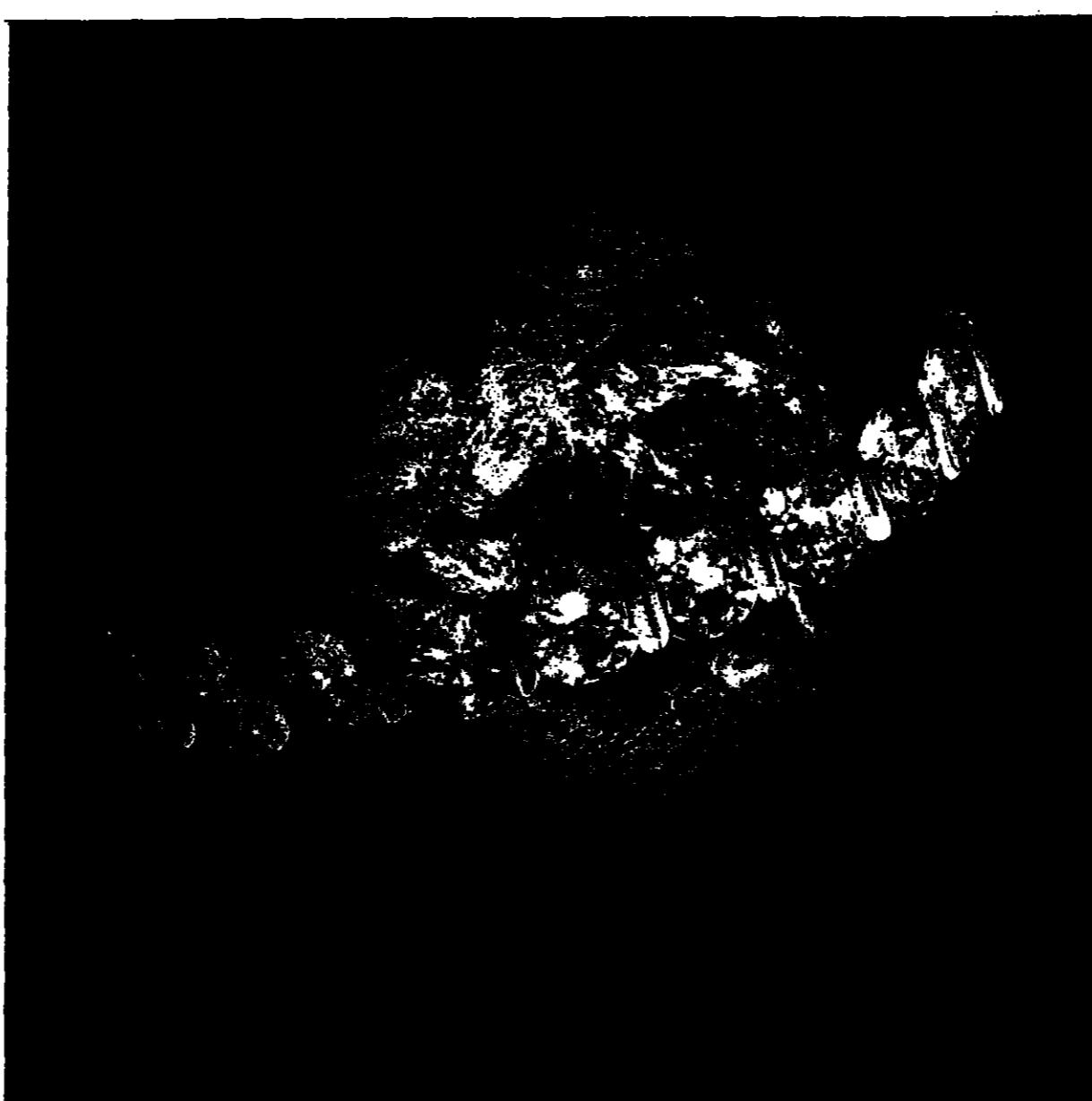
## Six points from Julian Ogilvie Thompson's Chairman's Statement for 1990

### Soviet Union

The global nature of the diamond industry was once again reinforced by developments in 1990. De Beers Centenary's inaugural year was marked by a five year US\$5 billion sales agreement with Glavalmazzoloto of the USSR. This contract with one of the world's largest producers of gem diamonds was further recognition of the benefits of single channel marketing through which the Central Selling Organisation (CSO) has served producers, consumers and the diamond industry as a whole for more than half a century. Centenary's fully secured US\$1 billion advance to Glavalmazzoloto illustrates the extent of its financial resources and its ability to hold a large buffer stock of diamonds should the need arise.

### Angola

Another development which reinforced the stability of the diamond market was De Beers Centenary's agreement in principle with the Angolan state diamond corporation, Endiama, under which the production of the Cuango River area will be marketed by the CSO. Centenary will lend Endiama US\$50 million at a commercial rate of interest to finance extensions to the



Cuango mining area. The first diamond shipments have already been received in London.

### Diamond sales

After seven years of growth world retail diamond sales levelled off in 1990. Total sales of rough diamonds for the year amounted to US\$4,167 million, two per cent higher than 1989. Despite the adverse international economic climate, CSO sales at the first three sights in 1991 were satisfactory and the CSO is confident of achieving sales comparable to last year's.

### Group earnings

Reflecting the fact that the major part of our earnings nowadays is generated outside South Africa, De Beers Centenary accounted for 81 per cent of attributable earnings and 62 per cent of equity accounted earnings of the combined results. Combined attributable earnings declined by 16 per cent to US\$950 million while equity accounted earnings fell by 17 per cent to US\$1,317 million. Total dividends per linked unit were US 111.3 cents, a marginal increase on 1989.

### Sea floor mining

The continuing development by De Beers Marine of sea floor mining technology is evidence of our long-term worldwide commitment to exploration and research. In 1990 some 29,000 carats were recovered by De Beers Marine off Namibia for CDI.

### South Africa

Profound political changes have opened the way for South Africa to rejoin the community of nations and there are already signs of the significant benefits it will derive from its re-introduction into the world economy. The new South Africa must achieve and maintain a high rate of economic growth to generate the resources so urgently needed for social investment and to provide meaningful opportunities for all South Africans.

De Beers Consolidated Mines has played a leading role in the Private Sector Initiative which has raised R570 million over five years for education and housing in black communities.

All the above is found in the Bestyle enhancement below the line.

**De Beers Consolidated Mines Ltd**

**De Beers Centenary AG**

De Beers Consolidated Mines Limited (Incorporated in the Republic of South Africa), London Office, 40 Holborn Viaduct, London EC1P 1AJ.  
De Beers Centenary AG (Incorporated under the laws of Switzerland), Head Office, Langensandstrasse 27, CH-6000 Lucerne 14, Switzerland.

De Beers  
Centenary  
AG

The search for industries;  
property market and  
communications Page 2

FINANCIAL TIMES SURVEY

# CORNWALL

Friday April 26 1991

IT IS one of the great certainties of the British summer that once more the holidaymakers will flock down the M 5 motorway this year into Cornwall. The duchy, with its incomparable beaches, magnificent surf, cream teas and warm weather, is just about everything the average holidaymaker wants during the annual break. Two fine hot summers in succession have brought back the attractions of British resorts generally and Cornwall confidently expects a bumper time especially following the Gulf war, the collapse of companies catering for the Costas trade and the rise in package-holiday prices.

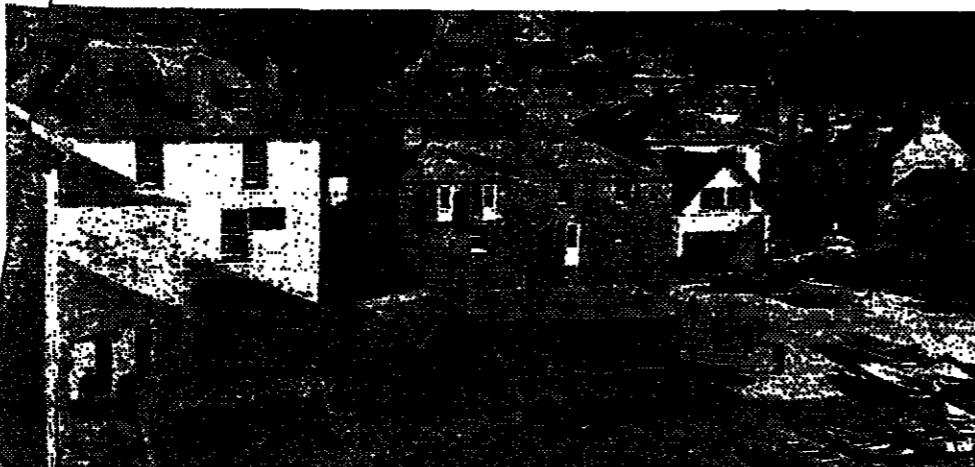
Some 3.5m people visit Cornwall every year and the indications are this number will be topped before autumn arrives and the deck chairs are stacked away, the last ice-cream consumed, the oysters put away on the boats taking trips around the bay.

What few of the trippers will see, though, is a county in transition, one that has been badly affected economically and searching, not without success, for a more diversified economy. "Cornwall has seen hard hit by the recession," says Mr John Carr, director of the Devon and Cornwall Development Company. "A broad and realistic consensus of what can be done and what needs to be done is now essential if it is to realise its potential."

Mr John Rees-Evans, the county's economic planning officer, goes a stage further. "Cornwall continues to be biased towards the primary industries and tourism but there is a very positive trend towards a more balanced economy," he states. "Growth is coming from manufacturing and financial services."

The two agree that reducing dependence on traditional industries such as mining, fishing, agriculture and engineering will be made easier by the increased emphasis being placed on what Mr Carr calls the "quality of life" factor.

"Until the late 70s," says Mr Rees-Evans, "industry was all about the company. Now it is increasingly about where that company ends. This is where Cornwall will score because the quality of life here is far superior to it in most



**At least 3.5m people will flock to Cornwall this year to enjoy some of Britain's finest scenery. But**

**behind the jollity of its famous cream teas, the Duchy is fighting hard to recover from the collapse of some of its oldest industries,**

**writes Anthony Moreton**

## Battle for recovery

of the rest of Britain. This will allow us to attract the new companies that want a clean environment and a good workforce." And Mr John Berry, managing director of the Cornwall Enterprise Board, adds that the county is "a serious place from which to do business. It's as cheap to export from here in small parcels as anywhere else in the country."

Cornwall's economy is characterised by small firms, low

pay, high unemployment and, because of its dependence on tourism, a seasonal nature to the work available.

Unemployment is significantly higher than in the rest of the UK. In January, the figure was 10 per cent against a British average of 6.7 per cent and 6.1 per cent for the south west as a whole. The figure has been sustained by closures in the Camborne-Redruth area which have turned this part of

Port Isaac, a jewel of Cornwall's northern coast, where time stands still

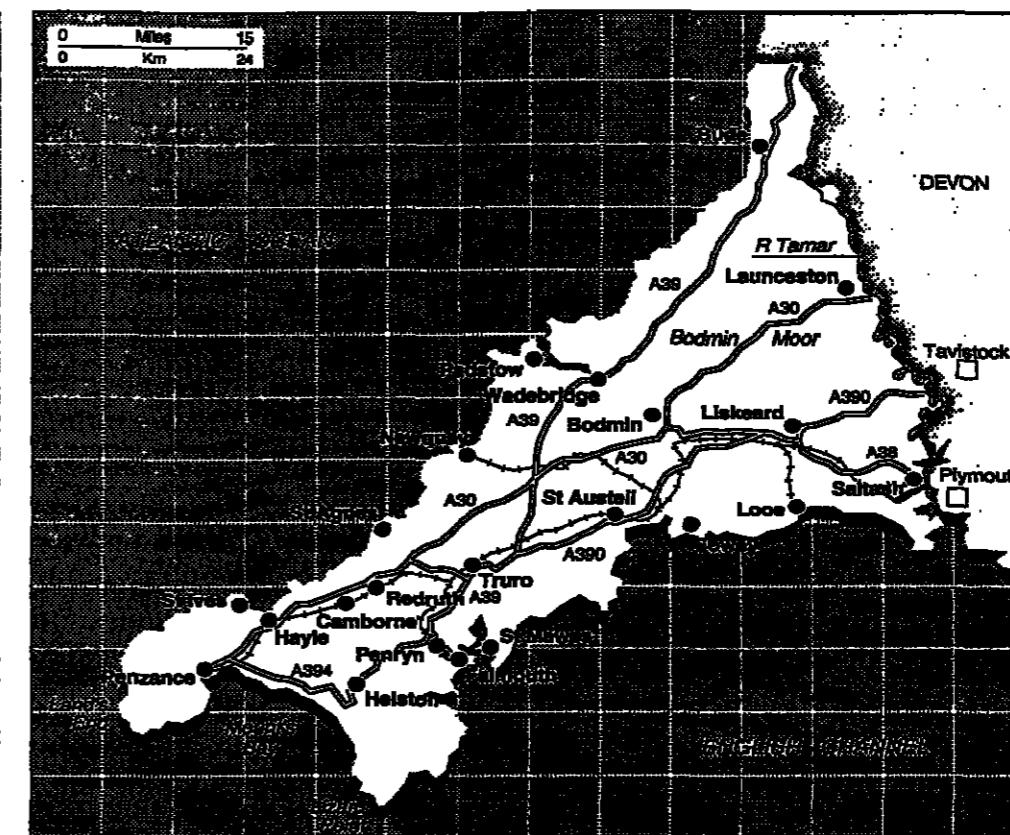
the county into a black spot, by ECC International cutting its job force in St Austell by 750 and several smaller job losses. The nearby Saltash area, too, has been affected by the run-down in numbers in Devonport dockyard.

Some 90 per cent of the businesses in the duchy employ fewer than 25 people, the sort of concern that Mr Richard Goldring of English Estates describes as being in the forefront of the recession.

Between 1984 and 1987, the last year for which figures are available, the numbers in agriculture and fishing dropped by 6.2 per cent, in mining by 33.7 per cent and in construction by 8.4 per cent, all significantly above the national average. Mr Rees-Evans believes the trends contained within these figures have continued.

According to the 1990 New Earnings Survey from the Department of Employment, men's wages in Cornwall averaged £241.90 a week last year, 81.8 per cent of the British average and 87.2 per cent of that of the south west generally. Earnings for women, at £166.80 a week, showed a similar discrepancy and the earnings figures were the lowest for any county in Britain.

These bleak figures, though, do not show the way in which Cornwall has been adapting. If



tin mining has disappeared, there remains a buoyant china clay industry. Fishing is producing a good income for its skippers and crew and the efforts to diversify the economy have been successful.

Banking, finance and insurance as a sector grew by 24.6 per cent between 1984 and 1987 against a national average of 15 per cent and others to outperform the British figure were distribution, tourism, transport, printing, communications and "other manufacturing and services", which includes the food industry, Newquay Steam Beer, Ginsters' Cornish pasties and Rodda's ice cream have won national markets. "We have been able to attract new companies," says CEDO's Mr John Rees-Evans, "through having a good workforce, a pool of trainable labour and low absenteeism rates."

The county also has a growing population. Numbers rose throughout the 1980s and look set to continue to do so, despite

the falling school rolls, until the next century. The present population of 450,000 is expected to grow to 500,000 by the year 2001 and a decade later it could be up to 650,000.

Unlike counties such as Dorset or Sussex, and despite popular misconceptions, this growth is not coming from pensioners looking to move into the county at the end of their working lives. The growth is coming from economically mobile and active people who want to live and work in a clean environment.

Between 1981 and 1989 there was a net increase of 34,000 jobs to absorb the growing population and Mr Rees Evans says between 1984 and 1987 "we were, and we believe we continue to be, more successful than the rest of the country in creating jobs in manufacturing. We boosted employment in this area by 3.4 per cent at a time when Britain, climbing out of the depression, dropped by 4.7 per cent. We are having

to create around 3,000 net new jobs a year just to meet population growth."

If Cornwall is to take full advantage of this growth then it needs to improve its infrastructure. The word "infrastructure" normally conjures up thoughts of roads and while improvements are necessary it is equally important to update water supply, sewage treatment and disposal, recycling facilities and development sites.

Roads, though, are crucial. Cornwall is one of the few English counties without an inch of motorway. Its most important spine road, the A 30, will have dual carriageway by the mid-1990s but, as Mr Graham Lovering, managing director of ECC International, points out, one vital road is not sufficient.

"Roads into and out of the county have improved enormously," he says. "But there are still too many businesses within the county that have to

use what are little more than country lanes to get their goods to market. Taking clay from our 35 pits in the county, and we produce 3m tons a year, to port in Fowey or Par means travelling along narrow, country roads. It would help enormously if these were upgraded, too."

Other links are important. British Rail has just brought forward the last train of the day from Paddington into Cornwall and there is resentment that most of the fast services end in Plymouth. There is concern that Sproxton Airways' flights from Newquay might be squeezed out of London's Heathrow. Greater use of Falmouth as a port would be welcome, though new introduction of a Ro-Ro facility is a possibility.

To minimise the economic disadvantages of distance from markets Cornwall has joined the Atlantic Arc, a grouping of areas on the geographical perimeter of the European Community. Cornwall College and the county's chamber of industry have established links with mainland Europe and tourism. Links have been encouraged with Brittany, northern Spain, Portugal and southern Ireland.

Two weeks ago, work began on converting an old gasworks in St Ives into an outpost of London's Tate gallery. St Ives, with its incomparable bay, was the home of Barbara Hepworth and a host of other artists and the gallery will contain 30 of the Tate's collection of 300 works by the St Ives school.

The £2.75m project is among a number of new investments within the vitally-important tourism sector. Mr Peter de Savary's Land's End project and housing schemes at Falmouth and Hayle may have caught the eye but just as important has been the golf-course-and-housing development at St Mellion and hotel improvements at St Martin's on the Scilly Isles, Talland Bay, between Looe and Polperro, and St Keyne.

Cornwall may be looking to new niche industries to transform its industrial economy but it is not ignoring those activities which, however unquantifiable, have added immeasurably to the richness of its character.

# CORNWALL

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Stuart Heath GROUP MANAGING DIRECTOR FIBRE-DATA LIMITED

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Stuart Heath is a man of vision. He saw a future in fibre optic technology and a future in Cornwall. With help and advice from CEDO, Stuart's company Fibre-Data re-located from the South East to the county which he and his family had always chosen for their holidays; all within just 3 months.

The benefits of the Cornish business environment have contributed to a 400 per cent increase in turnover. Stuart continues to work just as hard as he ever did. That is, when he's not sailing his boat, on the beach with the family, walking the cliffs....

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All information correct at time of publication. Sources available on request.



## CORNWALL 3

Fishery business becomes more competitive and specialised

## Hopeful but not over-optimistic

TALK to any fisherman in Cornwall and he will tell you a tale of gloom and doom about the present, the future and, indeed, the past of the industry. That is, if he will talk to you. Fishermen across the country are an intro-spective breed, little given to talking to outsiders and rarely divulging the real truth.

More dispassionate observers are less gloomy, though. They point to an industry which has invested quite heavily in recent years and attracted younger men into it. They point to greater integration and the fact that Newlyn is the leading port, in terms of value of fish landed, in England.

"Conditions are not too bad at the moment," says Miss Elizabeth Stevenson, a partner in W Stevenson and Son, the leading agent in the county which with 35 vessels also runs the largest privately-owned fleet in the European Community.

"Quotas are reasonable and it is possible to make a good living. Conditions were difficult at the start of the year with gales restricting fishing and the Gulf war pushing up fuel prices. But March was not too bad from a fishing point of view and oil prices have come back a bit from their peak. We are hopeful about the future if not over-optimistic."

She is supported by Mr Hugh Symons who with his partner Mr Steve Farrar runs the Blue Seal Fish company in Looe. "Fishing is going through a difficult time. Costs are rising all the time. Diesel, repairs, investment costs, interest rates all cost more at the moment. But those who work hard, those who work long hours are those who

succeed. There are people who make a good living from fishing but there are also those who are finding the going extremely tough."

A similar sentiment is expressed by Mr Ian Greet, managing director of Falmouth Fishselling (Falfish) in Falmouth. "The whole industry has changed over the last 10 years. Then the skipper went to sea, came back, sold their catches and went home before the cycle repeated itself.

"Now the whole industry is much more professional. The skipper has to be a businessman as well as a fisherman to succeed. He has to compete against subsidised competition and the Spaniards registering as British and taking part of the quotas laid down by the European Commission that would otherwise have gone to British boats.

He just has to be more sophisticated to explain these conditions. Fortunately, he has become more sophisticated. A lot has changed."

It is the role of the Standards, though, that is causing great concern. A large number of Spanish vessels, having inadvertently over-fished their own waters, have now registered in Britain and fish in Britain's traditional grounds off the south western coast. Yet they land their catches in Spain.

About 95 per cent of what the Spaniards catch is landed in Spain," Miss Stevenson says. "Yet their catches are part of the British quota laid down by the EEC. They are in fact catching part of our quota."

The industry is waiting to see what the result of legal deliberations about this practice - and it is not optimistic about the outcome. If it goes badly

against Britain then Cornwall could be hit badly and the industry after.

There are other concerns: The European Commission has said that the fleet of the 12 member states will have to be cut by 5 per cent as 40 per cent in the years after the opening of the single market in 1992. This comes on top of an overall European reduction in capacity of 5 per cent in tonnage and 2 per cent engine power in the years between 1987 and 1991.

Every skipper has also had to come to terms with overfishing in the 1970s, when the factory ship stood offshore and took almost nothing that could be sacked out of the sea. In setting up of a conservation board around the coasts of the south west England drawn up to protect the fish stock especially mackerel, was sensibly not added to the pressures on both sides and their owners.

Despite these problems, Newlyn has some 200 of its last 250 and has around 200 boats working the port.

Looe, a very much smaller port, has fared worse and the market there handles some of the landings from nearby Mevagissey and Polperro.

Landings since last year rose by 2 per cent to 95,000 and with the overland catches at fish brought in to the market in Mevagissey and Polperro, there is a 3.6 per cent rise to 27,700.

Handling, catch has been much improved following an investment programme by harbour commissioners who were listed by the Rural Development Commission and Euro money. The antiquated was rebuilt and new harbourside units put in.

Even with all the latest equipment on the boats as well as onshore improvements, though, a touch of luck comes in handy occasionally. Just before Christmas some of the Looe boats struck it really lucky. Their catch one day turned out to their surprise, to be bass, an upmarket fish admired in Paris as well as London.

One boat came in with a catch worth £24,000, enough to give them a nice Christmas. For the port as a whole base catches amounted to £250,000 last year. Had it not been for good bass catches Mr Symons says that the actual value of fish landed in Looe last year would have fallen slightly rather than risen. Even so, the actual 2 per cent rise was lower than inflation and so in real terms the port slipped slightly.

Around the rest of the coast there are a number of smaller ports such as Padstow and Port Isaac that may have as few as half a dozen vessels based in them. Many of them will be fishing for lobsters and crabs, fish on which the marketability is much greater.

During the season - from about April until October, depending on the weather - two or three Vivier lorries, which have glass fibre tanks necessary to carry live shellfish, are in Cornwall every day to take the catch to continental markets. Once their main destination was Paris but now it is Spain.

Overfishing has, however, cut the catch and volumes, Mr Greet believes, have probably dropped by about a half over the past five years, a symptom of the changes with which the Cornish fishermen have had contend.

Anthony Moreton

video computer, 12-seat lecture room and some catering facilities, which physically takes the school to the pupils.

Cornwall has a distinct pattern of unemployment. Its 10 per cent seasonally adjusted rate is one of the highest rates in the country. It also has among the lowest wage rates.

With the tin mining industry

collapsing and English China

Clay, one of the largest manufac-

turing concerns laying off

750 people, there are particular

problems among the older unemployeed.

The Tab is trying to address these specific prob-

lems. Approved trainers such

as Cornwall College can help

by acknowledging that the

major industry is now tourism,

and by tailoring its courses

and training accordingly.

Stewart Dalby

has been in decline. At the end of the 1970s there were nearly 4m visitors and £350m was spent in 1979. Given inflation and the more restricted criteria on which spending was calculated this was probably per capita more than today.

The reasons for the decline, also found in other British resorts, are that the advent of the package tour to the Costa Del Sol replaced the British old style, long-stay, bucket and spade summer holiday. People turned to Europe and beyond. Partly to arrest the trend long-a three year Tourism Development Action Programme was set up in 1989 to

Visitors to Land's End now stay longer and spend more money

look at the possibilities.

A joint venture of the English Tourist Board and the local authorities and tourism organisations, the TDAP, found that while long holidays are not generally increasing in numbers and value, other types of tourism are.

Cornwall still has an average length of stay of seven days, longer than in which is long compared to south-east coastal resorts such as Brighton and Bournemouth.

The TDAP set out to develop short breaks and business tourism markets to encourage more visitors to stay and develop business outside of the main season. It has attempted to improve, grade, develop and market accommodation the visitor needs. It has tried to improve tourist information centres, and sign-posting to target the wealth of heritage centres, fine old houses and maritime centres but also industrial museums and artefacts.

In spite of the apparent buoyancy, however, all is not entirely well. Cornwall clearly continues to attract lots of visitors. For example, almost one third of all holiday makers are permanent returners. Almost one third also go to Newquay.

Some developments have taken place independently, such as the upgrading of

Land's End by one of Mr Peter de Savary's companies. Accord-

Tourism becomes the county's biggest employer

Sea, sun and sand

ing to one of Mr de Savary's colleagues, when the group bought the 120 acres of Land's End in 1987 for £7m it was virtually derelict and cliff erosion made many of the walks unsafe. It has spent £6m on shoring up the cliffs, refurbishing the hotel and building a heritage centre.

Land's End still attracts 700,000 visitors a year, its previous total. But while they used to stay only eight minutes, during which they might buy little more than a postcard, they now stay for nearly three hours and spend £6 per head.

Another example of value being added to tourism is at Falmouth, where Mr de Savary has built a marina and flats.

The most significant development, however, has been in the growth of self-catering holidays. These are no longer taken in the old-style post second world war prefabs or parked caravans, but in cottages and houses bought as investments and/or second homes. They are usually renovated to a high standard.

Because of tax concessions some businesses have bought groups of them, which are managed by agencies.

But even a single cottage owner can run it as a business and set all costs against income (even interest on loans to buy it) and avoid capital gains tax until retirement.

The conditions are that the house be let for at least 140 days a year and that no single tenancy should exceed 31 days in any seven months.

As a result of the mushrooming of these houses and cottages, 60 per cent of all holidays in Cornwall are now taken in self-catering units and the season has been lengthened.

The self-catering holidays have become equally controversial for a different reason. Local people do not like outsiders bidding up property prices thereby putting them beyond the reach of young residents.

Although Cornwall's tourism is changing and the decline appears to have been arrested, through self-catering and the growth of foreign and other visitors, it has not been without cost in some Cornish eyes.

Stewart Dalby

Cornwall pioneers training schemes

A policy for youth

Training Agency, for the two major unemployment schemes, the Youth Training Scheme (YTS) and Employment Training (ET) for the older long-term

jobless. The Training Agency, which has its headquarters in Sheffield, was previously the Manpower Services Commission.

The Devon and Cornwall Tec consists of a main hub in Plymouth and five arcades (Tabs), including one Cornwall.

The Tabs also offer business advisory services, administer enterprise allowances and run a programme of business seminars.

The two big employment programmes took a lion's share of spending, probably around £20m for the YTS in the last 12 months, possibly £11m for all the Tabs.

Some 7,500 youngsters have been involved in the YTS administered by Devon and Cornwall Tec. Of these young people from the area, including some in the Cornwall Tab area, took part in mainly administered schemes.

Precise numbers of people associated with employment training are hard to assess. Some people have been involved for a few hours going along, seeing what the scheme is. However, at any given time in the last year there were probably around 5,000 tied in some way with employment training.

This year, Devon and Cornwall Tec has an overall budget of £7.7m, of which £2.6m will be spent on young people and £7.7m on adults. The rest will go on management and business programmes, local initiatives. Roughly 90% of the total will be spent in Devon and one third in Cornwall.

The YTS and ET have been criticised as being too broad and insufficiently interested in training. They were and are chiefly at alleviating unemployment, and some employers, it is said, saw the YTS as a pool of obtaining cheap labour.

Young people who entered the YTS complained that it was a way of denying them unemployment benefit. By giving young people YTS

money instead of the dole the unemployment figures were made to look better. While there was theoretically a restraining element in the job to which they were directed, this was not always so in practice.

The YTS gave way to youth training and this in turn is now being replaced by another more widening scheme - Training Credits. This involves the careers service office, which is part of the local education authority, employers' organisations, licensed providers, approved trainers and, of course, the young people themselves.

The process starts when a young person goes to a careers advisory service. An action plan for work and training is then drawn up. If the youngster is lucky enough to find a job straight off the employer gets together with the employee and the approved trainer to organise the job and the training and the voucher (or "credit") is triggered. The credit can be anything from £1,000 to £4,500 depending on time and qualifications aimed for.

If no job is immediately on offer the young person takes his action plan from the careers service to a licensed provider. This person makes an assessment and transitional training is given until the right kind of job is found, and the voucher is put into effect.

In practice the process

should be less tangled than it sounds. But there are problems.

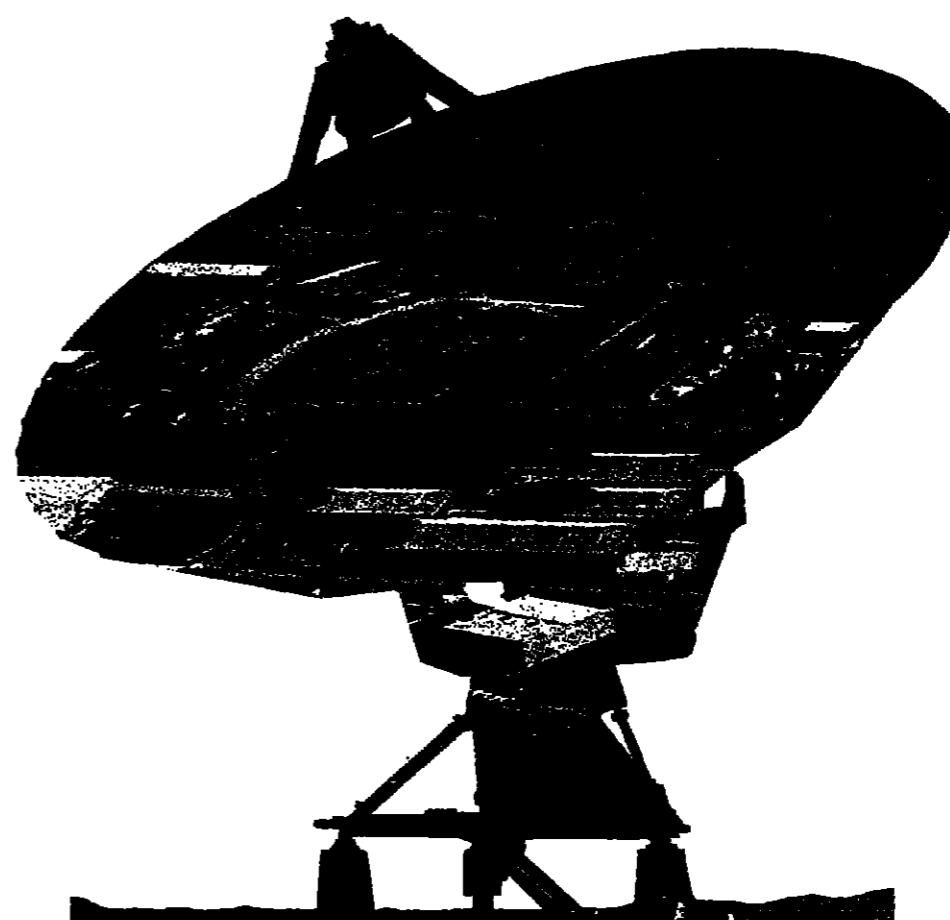
So far in Cornwall, the Tab has appointed six licensed providers and some 90 bodies have applied to become approved trainers. Around 30 have been approved so far.

One is Cornwall College, a college of further education, which has a reputation for adapting to the changing needs of education. It can also organise some degree courses in association with the Polytechnic in Plymouth.

Its unconventional approach

is reflected in its use of a 60 ft long bus equipped with a

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of Florida is the latest firm to declare

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| DENMARK        |  | Pechiney           | 1,317  | —               | Verein-West        | 318    | +3   | Sabena (I Rd)      | 15,40  | +40  | Swissair           | 745    | -5   |                 |              |     |  |  |
|----------------|--|--------------------|--------|-----------------|--------------------|--------|--|--------------------|--------|--|--------------------|--------|--|-----------------|--------------|-----|--|--|
| April 25       |  | Permos Ricard      | 1,218  | —               | Vista              | 361,50 | +70  | Storebrand Firs    | 126    | +1   | Swiss Bank (Br)    | 320    | —  |                 |              |     |  |  |
|                |  | Perrier            | 1,423  | -3              | Volkswagen Prf     | 371,10 | +6,10  | Storli B           | 150    | +3   | Swiss Bank Ptg     | 288    | +1   |                 |              |     |  |  |
|                |  | Peugeot            | 544    | —               | Wella Prf          | 320    | +4   | Unitor Ships Sv    | 99     | —  | Swiss Reinsurance  | 2,970  | -10  |                 |              |     |  |  |
|                |  | Pinsaut            | 351,90 | -6,10           | Zanders Feimpap    | 235    | +3   | Vard AS A          | 73,50  | +1,50  | Swiss Reins Ptg    | 380    | —  |                 |              |     |  |  |
|                |  | Polet              | 468    | —               | <b>SPAIN</b>       |        |  |                    |        |  |                    |        |  |                 |              |     |  |  |
|                |  | Priestamps (As)    | 645    | -30             | <b>ITALY</b>       |        |  |                    |        |  |                    |        |  |                 |              |     |  |  |
|                |  | Promodel           | 2,050  | <b>April 24</b> |                    |        |  |                    |        |  |                    |        |  |                 |              |     |  |  |
|                |  | Radioteleca        | 422    | +7              | Lire               | + or - | <b>April 25</b>  |                    |        |  |                    |        |  |                 |              |     |  |  |
|                |  | Redoute            | 3,580  | —               | Banca Comm         | 4,786  | —  | Alba (Corp Fin)    | 5,900  | +40  | CEPSA              | 1,000  | —  |                 |              |     |  |  |
|                |  | Rhone Postelec Gds | 357,50 | -7,50           | Banca Naz Agric    | 7,600  | —  | Aragosta           | 650    | -25  | Carburos Metal     | 5,780  | +10  |                 |              |     |  |  |
|                |  | Roussel-Uclaf      | 2,250  | +35             | Banco Lariato      | 6,080  | —  | Asproli            | 3,970  | -25  | Dragados           | 2,705  | +10  |                 |              |     |  |  |
|                |  | SILIC              | 640    | -5              | Banco Bilbao Vizc  | 3,115  | -20  | Banco Central      | 4,570  | -15  | Electra Viesgo     | 2,590  | —  |                 |              |     |  |  |
|                |  | Sageve             | 1,680  | +50             | Banco Exterior     | 4,600d | -5   | Banco Hispano      | 3,225  | +15  | Endesa (Br)        | 2,455  | -10  |                 |              |     |  |  |
|                |  | Saint Gobain       | 453    | -4,50           | Banco Popular      | 10,770 | -20  | Banco Santander    | 5,570  | -10  | Enresa             | 1,035  | —  |                 |              |     |  |  |
|                |  | Saint Louis        | 1,446  | +9              | Banco de Bariloche | 2,140m | —  | Banesto            | 3,775  | -5   | Erco               | 754    | —  |                 |              |     |  |  |
|                |  | Samoff             | 843    | -12             | Camerún            | 2,681  | —  | Carburos Metal     | 5,780  | +10  | Escombi            | 2,000  | —  |                 |              |     |  |  |
|                |  | Schneidler         | 758    | —               | Ciudad Real        | 2,770  | —  | Dragados           | 2,705  | +10  | Eximbank           | 2,455  | -10  |                 |              |     |  |  |
|                |  | Seb SA             | 1,560  | +10             | Credito Italiano   | 2,618  | —  | Electra Viesgo     | 2,590  | —  | Financiera Gallo   | 3,450  | -25  |                 |              |     |  |  |
|                |  | Sefimeg            | 456,40 | -5,60           | Dantell & C        | 8,190  | —  | Endesa (Br)        | 2,455  | -10  | Hidroel Cantab     | 2,000  | -20  |                 |              |     |  |  |
|                |  | Stimco             | 535    | —               | EnChem             | 1,560  | —  | Enresa             | 1,035  | -5   | Hidroel Rio        | 579    | -12  |                 |              |     |  |  |
|                |  | Sktia Rossignol    | 745    | —               | Erreinta           | 7,065  | —  | Fecsa              | 754    | -5   | Iberdrola          | 705    | -17  |                 |              |     |  |  |
|                |  | Soc Generale de Fr | 417,90 | +0,90           | Fernazzi Fin       | 2,124  | —  | Gas Natural        | 4,000  | +10  | Industria Gallo    | 2,000  | -20  |                 |              |     |  |  |
|                |  | Sommer-Alibert     | 1,615  | -13             | Fiat               | 3,251  | —  | Gas Natural        | 4,000  | +10  | Hidroel Rio        | 579    | -12  |                 |              |     |  |  |
|                |  | Spie Batignolles   | 530    | +1              | Fiat Prf           | 3,775  | —  | Gas Natural        | 4,000  | +10  | Iberdrola          | 705    | -17  |                 |              |     |  |  |
|                |  | Suez (Fin del)     | 337,70 | +5,90           | Fidei              | 6,064  | —  | Kolpe              | 4,000  | +10  | Industria Gallo    | 2,000  | -20  |                 |              |     |  |  |
|                |  | Talitanger         | 3,730  | -20             | Fondiaria          | 43,320 | —  | Mapfre             | 5,740  | -70  | Industralia        | 53     | -25  |                 |              |     |  |  |
|                |  | Thomson CSF        | 144,50 | -1,50           | General Asturias   | 37,500 | —  | Metal Duro-Felt    | 1,530  | -55  | East Rand Gold     | 7,50   | -25  |                 |              |     |  |  |
|                |  | Total Fr Petro B   | 759    | +5              | Gemusa             | 1,620  | —  | Metrowacesa        | 6,000d | +100   | Elandstrand Gold   | 21,25  | -25  |                 |              |     |  |  |
|                |  | UAP                | 551    | +3              | Generali           | 3,410  | —  | Portland Vald      | 18,800 | +250   | First Nat Bank     | 40     | +75  |                 |              |     |  |  |
|                |  | UFBS Locatelli     | 254    | +4              | Gianordini         | 14,350 | —  | Repsol             | 2,570  | +25  | Frs State Cos Gold | 19     | -50  |                 |              |     |  |  |
|                |  | Unibail            | 705    | +4              | Italcable          | 8,050  | —  | SNIACE             | 350    | -13  | Gencor             | 11,20  | -20  |                 |              |     |  |  |
|                |  | Union Immob Fr     | 580    | +5              | Kalpomenti         | 21,980 | —  | Sarrion            | 852    | -8   | Gold Fields SA     | 67,75  | —  |                 |              |     |  |  |
|                |  | Valso              | 432    | +1              | Italgoes           | 3,031  | —  | Serrillana Elec    | 630    | -25 <th>Hartbeespoort</th> <td>17,50</td> <td>-35</td>   | Hartbeespoort      | 17,50  | -35  |                 |              |     |  |  |
|                |  | Valtorec           | 290,10 | -0,40           | Lloyd Adriatico    | 15,060 | —  | Telascala A        | 4,785  | +25  | Highfield Steel    | 16,10  | +10  |                 |              |     |  |  |
| <b>GERMANY</b> |  | Metra B Firs       | 83     | —               | Magneti Marelli    | 920    | —  | Telefonica         | 990    | +3   | ISCOR              | 2,03   | +10  |                 |              |     |  |  |
|                |  | Nokia Prof Free    | 73     | -3              | Meditelcom         | 16,065 | —  | Tudor              | 1,300  | —  | Klarus Gold        | 42,50  | —  |                 |              |     |  |  |
|                |  | Pohjola B Free     | 87     | -3              | Montellison        | 1,501  | —  | Union Fenosa       | 580    | -14  | Kloof Gold         | 26     | —  |                 |              |     |  |  |
|                |  | Revolta (Free)     | 71     | —               | Oliveri            | 3,769  | —  | Union et le Fenol  | 6,610  | -290   | London Gold        | 2,10   | +10  |                 |              |     |  |  |
|                |  | Stockmanns B       | 125    | —               | Pirelli & Co.      | 6,460  | —  | Umiltas            | 2,076  | +50  | Malibond           | 24     | —  |                 |              |     |  |  |
|                |  | Tampella Free      | 5      | —               | Varese             | 1,000  | —  | Wacker Chemie      | 1,000  | —  | Swissair           | 745    | -5   |                 |              |     |  |  |
|                |  | UBP G              | 5      | —               | <b>FRANCE</b>      |        |  |                    |        |  |                    |        |  |                 |              |     |  |  |
|                |  | <b>April 25</b>    |        |                 |                    |        |  |                    |        |  |                    |        | <b>SPAIN</b>   |                 |              |     |  |  |
|                |  | Den.               | + or - | <b>April 24</b> |                    |        |  |                    |        |  |                    |        |  |                 | <b>ITALY</b> |     |  |  |
|                |  | AES                | 207    | +3              | Lire               | + or - | <b>April 25</b>  |                    |        |  |                    |        |  |                 |              |     |  |  |
|                |  | AG Ind & Verk      | 805    | -5              | Banca Comun        | 4,786  | —  | Alba (Corp Fin)    | 5,900  | +40  | Alba (Corp Fin)    | 5,900  | +40  | CEPSA           | 1,000        | —   |  |  |
|                |  | Aachen Metr (Den)  | 845    | +15             | Banca Nazionale    | 7,600  | —  | Aragosta           | 650    | -25 <th>Aragosta</th> <td>650</td> <td>-25</td> <th>Carburos Metal</th> <td>5,780</td> <td>+10</td>          | Aragosta           | 650    | -25  | Carburos Metal  | 5,780        | +10 |  |  |
|                |  | <b>April 25</b>    |        |                 |                    |        |  |                    |        |  |                    |        | <b>SPAIN</b>   |                 |              |     |  |  |
|                |  | Den.               | + or - | <b>April 24</b> |                    |        |  |                    |        |  |                    |        |  |                 | <b>ITALY</b> |     |  |  |
|                |  | Stora              | 1,317  | —               | Banca Lariato      | 3,115  | -20  | Asproli            | 3,970  | -25  | Asproli            | 3,970  | -25  | Electra Viesgo  | 2,590        | —   |  |  |
|                |  | Scandia            | 1,218  | —               | Banco Central      | 4,570  | -15  | Banco Central      | 4,570  | -15  | Banco Central      | 4,570  | -15  | Endesa (Br)     | 2,455        | -10 |  |  |
|                |  | Stora              | 1,423  | -3              | Banco de Bariloche | 4,600d | -5   | Banco de Bariloche | 4,600d | -5   | Banco de Bariloche | 4,600d | -5   | Enresa          | 1,035        | —   |  |  |
|                |  | Stora              | 1,501  | -9              | Banco Hispano      | 10,770 | -20 <th>Banco Hispano</th> <td>10,770</td> <td>-20</td> <th>Banco Hispano</th> <td>10,770</td> <td>-20</td> <th>Fecsa</th> <td>754</td> <td>-5</td>                  | Banco Hispano      | 10,770 | -20  | Banco Hispano      | 10,770 | -20  | Fecsa           | 754          | -5  |  |  |
|                |  | Stora              | 1,560  | -15             | Banco Santander    | 5,570  | -10 <th>Banco Santander</th> <td>5,570</td> <td>-10<th>Banco Santander</th><td>5,570</td><td>-10</td><th>Gas Natural</th><td>4,000</td><td>-20</td></td>             | Banco Santander    | 5,570  | -10 <th>Banco Santander</th> <td>5,570</td> <td>-10</td> <th>Gas Natural</th> <td>4,000</td> <td>-20</td>    | Banco Santander    | 5,570  | -10  | Gas Natural     | 4,000        | -20 |  |  |
|                |  | Stora              | 1,620  | -20             | Banesto            | 3,775  | -10 <th>Banesto</th> <td>3,775</td> <td>-10<th>Banesto</th><td>3,775</td><td>-10</td><th>Hidroel Rio</th><td>579</td><td>-12</td></td>                               | Banesto            | 3,775  | -10 <th>Banesto</th> <td>3,775</td> <td>-10</td> <th>Hidroel Rio</th> <td>579</td> <td>-12</td>              | Banesto            | 3,775  | -10  | Hidroel Rio     | 579          | -12 |  |  |
|                |  | Stora              | 1,660  | -25             | Banco Popular      | 10,770 | -20 <th>Banco Popular</th> <td>10,770</td> <td>-20<th>Banco Popular</th><td>10,770</td><td>-20</td><th>Hidroel Rio</th><td>579</td><td>-12</td></td>                 | Banco Popular      | 10,770 | -20 <th>Banco Popular</th> <td>10,770</td> <td>-20</td> <th>Hidroel Rio</th> <td>579</td> <td>-12</td>       | Banco Popular      | 10,770 | -20  | Hidroel Rio     | 579          | -12 |  |  |
|                |  | Stora              | 1,720  | -30             | Banco de Vizcaya   | 3,115  | -20 <th>Banco de Vizcaya</th> <td>3,115</td> <td>-20</td> <th>Banco de Vizcaya</th> <td>3,115</td> <td>-20</td> <th>Industria Gallo</th> <td>3,450</td> <td>-25</td> | Banco de Vizcaya   | 3,115  | -20  | Banco de Vizcaya   | 3,115  | -20  | Industria Gallo | 3,450        | -25 |  |  |
|                |  | Stora              | 1,780  | -35             | Banco de Santander | 4,600d | -5 <th>Banco de Santander</th> <td>4,600d</td> <td>-5<th>Banco de Santander</th><td>4,600d</td><td>-5<th>Iberdrola</th><td>705</td><td>-17</td></td></td>            | Banco de Santander | 4,600d | -5 <th>Banco de Santander</th> <td>4,600d</td> <td>-5<th>Iberdrola</th><td>705</td><td>-17</td></td>         | Banco de Santander | 4,600d | -5 <th>Iberdrola</th> <td>705</td> <td>-17</td>          | Iberdrola       | 705          | -17 |  |  |
|                |  | Stora              | 1,840  | -40             | Banco de Vizcaya   | 3,115  | -20 <th>Banco de Vizcaya</th> <td>3,115</td> <td>-20<th>Banco de Vizcaya</th><td>3,115</td><td>-20<th>Industria Gallo</th><td>3,450</td><td>-25</td></td></td>       | Banco de Vizcaya   | 3,115  | -20 <th>Banco de Vizcaya</th> <td>3,115</td> <td>-20<th>Industria Gallo</th><td>3,450</td><td>-25</td></td>  | Banco de Vizcaya   | 3,115  | -20 <th>Industria Gallo</th> <td>3,450</td> <td>-25</td> | Industria Gallo | 3,450        | -25 |  |  |
|                |  | Stora              | 1,900  | -45             | Banco de Santander | 4,600d | -5 <th>Banco de Santander</th> <td>4,600d</td> <td>-5<th>Banco de Santander</th><td>4,600d</td><td>-5<th>Industria Gallo</th><td>3,450</td><td>-25</td></td></td>    | Banco de Santander | 4,600d | -5 <th>Banco de Santander</th> <td>4,600d</td> <td>-5<th>Industria Gallo</th><td>3,450</td><td>-25</td></td> | Banco de Santander | 4,600d | -5 <th>Industria Gallo</th> <td>3,450</td> <td>-25</td>  | Industria Gallo | 3,450        | -25 |  |  |
|                |  | Stora              | 1,960  | -50             | Banco de Santander | 4,600d | -5 <th>Banco de Santander</th> <td>4,600d</td> <td>-5<th>Banco de Santander</th><td>4,600d</td><td>-5<th>Industria Gallo</th><td>3,450</td><td>-25</td></td></td>    | Banco de Santander | 4,600d | -5 <th>Banco de Santander</th> <td>4,600d</td> <td>-5<th>Industria Gallo</th><td>3,450</td><td>-25</td></td> | Banco de Santander | 4,600d | -5 <th>Industria Gallo</th> <td>3,450</td> <td>-25</td>  | Industria Gallo | 3,450        | -25 |  |  |
|                |  | Stora              | 2,020  | -55             | Banco de Santander | 4,600d | -5 <th>Banco de Santander</th> <td>4,600d</td> <td>-5<th>Banco de Santander</th><td>4,600d</td><td>-5<th>Industria Gallo</th><td>3,450</td><td>-25</td></td></td>    | Banco de Santander | 4,600d | -5 <th>Banco de Santander</th> <td>4,600d</td> <td>-5<th>Industria Gallo</th><td>3,450</td><td>-25</td></td> | Banco de Santander | 4,600d | -5 <th>Industria Gallo</th> <td>3,450</td> <td>-25</td>  | Industria Gallo | 3,450        | -25 |  |  |
|                |  | Stora              | 2,080  | -60             | Banco de Santander | 4,600d | -5 <th>Banco de Santander</th> <td>4,600d</td> <td>-5<th>Banco de Santander</th><td>4,600d</td><td>-5<th>Industria Gallo</th><td>3,450</td><td>-25</td></td></td>    | Banco de Santander | 4,600d | -5 <th>Banco de Santander</th> <td>4,600d</td> <td>-5<th>Industria Gallo</th><td>3,450</td><td>-25</td></td> | Banco de Santander | 4,600d | -5 <th>Industria Gallo</th> <td>3,450</td> <td>-25</td>  | Industria Gallo | 3,450        | -25 |  |  |
|                |  | Stora              | 2,140  | -65             | Banco de Santander | 4,600d | -5 <th>Banco de Santander</th> <td>4,600d</td> <td>-5<th>Banco de Santander</th><td>4,600d</td><td>-5<th>Industria Gallo</th><td>3,450</td><td>-25</td></td></td>    | Banco de Santander | 4,600d | -5 <th>Banco de Santander</th> <td>4,600d</td> <td>-5<th>Industria Gallo</th><td>3,450</td><td>-25</td></td> | Banco de Santander | 4,600d | -5 <th>Industria Gallo</th> <td>3,450</td> <td>-25</td>  | Industria Gallo | 3,450        | -25 |  |  |
|                |  | Stora              | 2,200  | -70             | Banco de Santander | 4,600d | -5 <th>Banco de Santander</th> <td>4,600d</td> <td>-5<th>Banco de Santander</th><td>4,600d</td><td>-5<th>Industria Gallo</th><td>3,450</td><td>-25</td></td></td>    | Banco de Santander | 4,600d | -5 <th>Banco de Santander</th> <td>4,600d</td> <td>-5<th>Industria Gallo</th><td>3,450</td><td>-25</td></td> | Banco de Santander | 4,600d | -5 <th>Industria Gallo</th> <td>3,450</td> <td>-25</td>  | Industria Gallo | 3,450        | -25 |  |  |
|                |  | Stora              | 2,260  | -75             | Banco de Santander | 4,600d | -5 <th>Banco de Santander</th> <td>4,600d</td> <td>-5<th>Banco de Santander</th><td>4,600d</td><td>-5<th>Industria Gallo</th><td>3,450</td><td>-25</td></td></td>    | Banco de Santander | 4,600d | -5 <th>Banco de Santander</th> <td>4,600d</td> <td>-5<th>Industria Gallo</th><td>3,450</td><td>-25</td></td> | Banco de Santander | 4,600d | -5 <th>Industria Gallo</th> <td>3,450</td> <td>-25</td>  | Industria Gallo | 3,450        | -25 |  |  |
|                |  | Stora              | 2,320  | -80             | Banco de Santander | 4,600d | -5 <th>Banco de Santander</th> <td>4,600d</td> <td>-5<th>Banco de Santander</th><td>4,600d</td><td>-5<th>Industria Gallo</th><td>3,450</td><td>-25</td></td></td>    | Banco de Santander | 4,600d | -5 <th>Banco de Santander</th> <td>4,600d</td> <td>-5<th>Industria Gallo</th><td>3,450</td><td>-25</td></td> | Banco de Santander | 4,600d | -5 <th>Industria Gallo</th> <td>3,450</td> <td>-25</td>  | Industria Gallo | 3,450        | -25 |  |  |
|                |  | Stora              | 2,380  | -85             | Banco de Santander | 4,600d | -5 <th>Banco de Santander</th> <td>4,600d</td> <td>-5<th>Banco de Santander</th><td>4,600d</td><td>-5<th>Industria Gallo</th><td>3,450</td><td>-25</td></td></td>    | Banco de Santander | 4,600d | -5 <th>Banco de Santander</th> <td>4,600d</td> <td>-5<th>Industria Gallo</th><td>3,450</td><td>-25</td></td> | Banco de Santander | 4,600d | -5 <th>Industria Gallo</th> <td>3,450</td> <td>-25</td>  | Industria Gallo | 3,450        | -25 |  |  |
|                |  | Stora              | 2,440  | -90             | Banco de Santander | 4,600d | -5 <th>Banco de Santander</th> <td>4,600d</td> <td>-5<th>Banco de Santander</th><td>4,600d</td><td>-5<th>Industria Gallo</th><td>3,450</td><td>-25</td></td></td>    | Banco de Santander | 4,600d | -5 <th>Banco de Santander</th> <td>4,600d</td> <td>-5<th>Industria Gallo</th><td>3,450</td><td>-25</td></td> | Banco de Santander | 4,600d | -5 <th>Industria Gallo</th> <td>3,450</td> <td>-25</td>  | Industria Gallo | 3,450        | -25 |  |  |
|                |  | Stora              | 2,500  | -95             | Banco de Santander | 4,600d | -5 <th>Banco de Santander</th> <td>4,600d</td> <td>-5<th>Banco de Santander</th><td>4,600d</td><td>-5<th>Industria Gallo</th><td>3,450</td><td>-25</td></td></td>    | Banco de Santander | 4,600d | -5 <th>Banco de Santander</th> <td>4,600d</td> <td>-5<th>Industria Gallo</th><td>3,450</td><td>-25</td></td> | Banco de Santander | 4,600d | -5 <th>Industria Gallo</th> <td>3,450</td> <td>-25</td>  | Industria Gallo | 3,450        | -25 |  |  |
|                |  | Stora              | 2,560  | -100            | Banco de Santander | 4,600d | -5 <th>Banco de Santander</th> <td>4,600d</td> <td>-5<th>Banco de Santander</th><td>4,600d</td><td>-5<th>Industria Gallo</th><td>3,450</td><td>-25</td></td></td>    | Banco de Santander | 4,600d | -5 <th>Banco de Santander</th> <td>4,600d</td> <td>-5<th>Industria Gallo</th><td>3,450</td><td>-25</td></td> | Banco de Santander | 4,600d | -5 <th>Industria Gallo</th> <td>3,450</td> <td>-25</td>  | Industria Gallo | 3,450        | -25 |  |  |
|                |  | Stora              | 2,620  | -105            | Banco de Santander | 4,600d | -5 <th>Banco de Santander</th> <td>4,600d</td> <td>-5<th>Banco de Santander</th><td>4,600d</td><td>-5<th>Industria Gallo</th><td>3,450</td><td>-25</td></td></td>    | Banco de Santander | 4,600d | -5 <th>Banco de Santander</th> <td>4,600d</td> <td>-5<th>Industria Gallo</th><td>3,450</td><td>-25</td></td> | Banco de Santander | 4,600d | -5 <th>Industria Gallo</th> <td>3,450</td> <td>-25</td>  | Industria Gallo | 3,450        | -25 |  |  |
|                |  | Stora              | 2,680  | -110            | Banco de Santander | 4,600d | -5 <th>Banco de Santander</th> <td>4,600d</td> <td>-5<th>Banco de Santander</th><td>4,600d</td><td>-5<th>Industria Gallo</th><td>3,450</td><td>-25</td></td></td>    | Banco de Santander | 4,600d | -5 <th>Banco de Santander</th> <td>4,600d</td> <td>-5<th>Industria Gallo</th><td>3,450</td><td>-25</td></td> | Banco de Santander | 4,600d | -5 <th>Industria Gallo</th> <td>3,450</td> <td>-25</td>  | Industria Gallo | 3,450        | -25 |  |  |
|                |  | Stora              | 2,740  | -115            | Banco de Santander | 4,600d | -5 <th>Banco de Santander</th> <td>4,600d</td> <td>-5<th>Banco de Santander</th><td>4,600d</td><td>-5<th>Industria Gallo</th><td>3,450</td><td>-25</td></td></td>    | Banco de Santander | 4,600d | -5 <th>Banco de Santander</th> <td>4,600d</td> <td>-5<th>Industria Gallo</th><td>3,450</td><td>-25</td></td> | Banco de Santander | 4,600d | -5 <th>Industria Gallo</th> <td>3,450</td> <td>-25</td>  | Industria Gallo | 3,450        | -25 |  |  |
|                |  | Stora              | 2,800  | -120            | Banco de Santander | 4,600d | -5 <th>Banco de Santander</th> <td>4,600d</td> <td>-5<th>Banco de Santander</th><td>4,600d</td><td>-5<th>Industria Gallo</th><td>3,450</td><td>-25</td></td></td>    | Banco de Santander | 4,600d | -5 <th>Banco de Santander</th> <td>4,600d</td> <td>-5<th>Industria Gallo</th><td>3,450</td><td>-25</td></td> | Banco de Santander | 4,600d | -5 <th>Industria Gallo</th> <td>3,450</td> <td>-25</td>  | Industria Gallo | 3,450        | -25 |  |  |
|                |  | Stora              | 2,860  | -125            | Banco de Santander | 4,600d | -5 <th>Banco de Santander</th> <td>4,600d</td> <td>-5<th>Banco de Santander</th><td>4,600d</td><td>-5<th>Industria Gallo</th><td>3,450</td><td>-25</td></td></td>    | Banco de Santander | 4,600d | -5 <th>Banco de Santander</th> <td>4,600d</td> <td>-5<th>Industria Gallo</th><td>3,450</td><td>-25</td></td> | Banco de Santander | 4,600d | -5 <th>Industria Gallo</th> <td>3,450</td> <td>-25</td>  | Industria Gallo | 3,450        | -25 |  |  |
|                |  | Stora              | 2,920  | -130            | Banco de Santander | 4,600d | -5 <th>Banco de Santander</th> <td>4,600d</td> <td>-5<th>Banco de Santander</th><td>4,600d</td><td>-5<th>Industria Gallo</th><td>3,450</td><td>-25</td></td></td>    | Banco de Santander | 4,600d | -5 <th>Banco de Santander</th> <td>4,600d</td> <td>-5<th>Industria Gallo</th><td>3,450</td><td>-25</td></td> | Banco de Santander | 4,600d | -5 <th>Industria Gallo</th> <td>3,450</td> <td>-25</td>  | Industria Gallo | 3,450        | -25 |  |  |
|                |  | Stora              | 2,980  | -135            | Banco de Santander | 4,600d | -5 <th>Banco de Santander</th> <td>4,600d</td> <td>-5<th>Banco de Santander</th><td>4,600d</td><td>-5<th>Industria Gallo</th><td>3,450</td><td>-25</td></td></td>    | Banco de Santander | 4,600d | -5 <th>Banco de Santander</th> <td>4,600d</td> <td>-5<th>Industria Gallo</th><td>3,450</td><td>-25</td></td> | Banco de Santander | 4,600d | -5 <th>Industria Gallo</th> <td>3,450</td> <td>-25</td>  | Industria Gallo | 3,450        | -25 |  |  |
|                |  | Stora              | 3,040  | -140            | Banco de Santander | 4,600d | -5 <th>Banco de Santander</th> <td>4,600d</td> <td>-5<th>Banco de Santander</th><td>4,600d</td><td>-5<th>Industria Gallo</th><td>3,450</td><td>-25</td></td></td>    | Banco de Santander | 4,600d | -5 <th>Banco de Santander</th> <td>4,600d</td> <td>-5<th>Industria Gallo</th><td>3,450</td><td>-25</td></td> | Banco de Santander | 4,600d | -5 <th>Industria Gallo</th> <td>3,450</td> <td>-25</td>  | Industria Gallo | 3,450        | -25 |  |  |
|                |  | Stora              | 3,100  | -145            | Banco de Santander | 4,600d | -5 <th>Banco de Santander</th> <td>4,600d</td> <td>-5<th>Banco de Santander</th><td>4,600d</td><td>-5<th>Industria Gallo</th><td>3,450</td><td>-25</td></td></td>    | Banco de Santander | 4,600d | -5 <th>Banco de Santander</th> <td>4,600d</td> <td>-5<th>Industria Gallo</th><td>3,450</td><td>-25</td></td> | Banco de Santander | 4,600d | -5 <th>Industria Gallo</th> <td>3,450</td> <td>-25</td>  | Industria Gallo | 3,450        | -25 |  |  |
|                |  | Stora              | 3,160  | -150            | Banco de Santander | 4,600d | -5 <th>Banco de Santander</th> <td>4,600d</td> <td>-5<th>Banco de Santander</th><td>4,600d</td><td>-5<th>Industria Gallo</th><td>3,450</td><td>-25</td></td></td>    | Banco de Santander | 4,600d | -5 <th>Banco de Santander</th> <td>4,600d</td> <td>-5<th>Industria Gallo</th><td>3,450</td><td>-25</td></td> | Banco de Santander | 4,600d | -5 <th>Industria Gallo</th> <td>3,450</td> <td>-25</td>  | Industria Gallo | 3,450        | -25 |  |  |
|                |  | Stora              | 3,220  | -155            | Banco de Santander | 4,600d | -5 <th>Banco de Santander</th> <td>4,600d</td> <td>-5<th>Banco de Santander</th><td>4,600d</td><td>-5<th>Industria Gallo</th><td>3,450</td><td>-25</td></td></td>    | Banco de Santander | 4,600d | -5 <th>Banco de Santander</th> <td>4,600d</td> <td>-5<th>Industria Gallo</th><td>3,450</td><td>-25</td></td> | Banco de Santander | 4,600d | -5 <th>Industria Gallo</th> <td>3,450</td> <td>-25</td>  | Industria Gallo | 3,450        | -25 |  |  |
|                |  | Stora              | 3,280  | -160            | Banco de Santander | 4,600d | -5 <th>Banco de Santander</th> <td>4,600d</td> <td>-5<th>Banco de Santander</th><td>4,600d</td><td>-5<th>Industria Gallo</th><td>3,450</td><td>-25</td></td></td>    | Banco de Santander | 4,600d | -5 <th>Banco de Santander</th> <td>4,600d</td> <td>-5<th>Industria Gallo</th><td>3,450</td><td>-25</td></td> | Banco de Santander | 4,600d | -5 <th>Industria Gallo</th> <td>3,450</td> <td>-25</td>  | Industria Gallo | 3,450        | -25 |  |  |
|                |  | Stora              | 3,340  | -165            | Banco de Santander | 4,600d | -5 <th>Banco de Santander</th> <td>4,600d</td> <td>-5<th>Banco de Santander</th><td>4,600d</td><td>-5<th>Industria</th></td></td>                                    | Banco de Santander | 4,600d | -5 <th>Banco de Santander</th> <td>4,600d</td> <td>-5<th>Industria</th></td>                                 | Banco de Santander | 4,600d | -5 <th>Industria</th>                                    | Industria       |              |     |  |  |

|                     |        |        |                |        |        |               |        |  |              |       |     |                 |       |       |
|---------------------|--------|--------|----------------|--------|--------|---------------|--------|--|--------------|-------|-----|-----------------|-------|-------|
| April 25            | Fm.    | + or - | Allianz AG     | 2,340  | +15    | Pirelli Spa   | 1,549  |  | Urbis Ser 2  | 1,680 | -10 | Nedcor          | 13.25 | +0.25 |
| Accor               | 778    | +2     | Altana Ind     | 579.5  | +14.50 | RAS           | 20,400 |  | Vallehermoso | 3,630 | +20 | O K Bazaar      | 15.60 | +0.50 |
| Air Liquide         | 681    | -3     | Astro          | 818    | +1     | Risanente (L) | 6,448  |  |              |       |     | Palmhors Min    | 76.50 | +0.50 |
| Alcatel Alsthom     | 276    | -2     | Actor PH       | 784    | +1     | SASIB         | 7,220  |  |              |       |     | Rembrandt       | 19.15 | +0.30 |
| Aljomar Plioux      | 2,130  | -38    | BASF           | 259.80 | +3     | SIP           | 1,304  |  |              |       |     | Rust Pixl       | 77    | +2    |
| Alstom Entrepr      | 1,205  | +13    | Badenwerk      | 226    | +2     | Sipem         | 8,050  |  |              |       |     | Safeway & Remie | 56.50 | +2.25 |
| Alstra              | 1,657  | -1     | Bayer          | 267    | +10.20 | Sistia A      | 1,599  |  |              |       |     | Sage Hills      | 9.25  | +0.25 |
| BIC                 | 759    | -19    | Bayer-Hyco     | 370.10 | +10.10 | Sistia Spa    | 15,750 |  |              |       |     | Smith (Kao) Fos | 41    | +0.15 |
| BSN                 | 655    | +4     | BMW (D)        | 578    | +2     | SMI           | 1,152  |  |              |       |     | SA Breweries    | 49.25 | +0.25 |
| BNP Cert Inv        | 244.10 | -0.90  | Boyer Veristik | 372x   | +3     | Sala BPD      | 1,455  |  |              |       |     | SA Man Ancor    | 22.75 | +0.25 |
| Bancaire Cle        | 491    | +2     | Borsig         | 759    | +1     | STET          | 2,392  |  |              |       |     | Tiger Cals      | 37    | +1    |
| Baptiste-Say        | 650    | -5     | Berliner Kraft | 122.70 | -0.80  | Toro Asticor  | 20,400 |  |              |       |     | Tomcat Huette   | 16.25 |       |
| Beghin Say Cert Inv | 529    | ...    | BHF Bank       | 411    | +1     | Tosi Franco   | 52,600 |  |              |       |     | Vaal Reefs      | 183   | -1    |
| Belling Berg        | 315.10 | -0.90  | Unicem         | 11,150 |        |               |        |  |              |       |     | Western Deep    | 35    | -1    |

**NOTES** - Prices on this page are as quoted on the individual exchanges and are last traded prices. (u) unavailable. # Dealings suspended. rd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all.

# CANADA

| Sales                                | Stock   | High | Low  | Clos. | Chng | Sales             | Stock  | High | Low | Clos. | Chng              | Sales | Stock | High | Low | Clos.              | Chng   | Sales | Stock | High | Low               | Clos.  | Chng |      |    |
|--------------------------------------|---------|------|------|-------|------|-------------------|--------|------|-----|-------|-------------------|-------|-------|------|-----|--------------------|--------|-------|-------|------|-------------------|--------|------|------|----|
| <b>TORONTO</b>                       |         |      |      |       |      |                   |        |      |     |       |                   |       |       |      |     |                    |        |       |       |      |                   |        |      |      |    |
| <b>3:00 pm prices April 25</b>       |         |      |      |       |      |                   |        |      |     |       |                   |       |       |      |     |                    |        |       |       |      |                   |        |      |      |    |
| Quotations in cents unless marked \$ |         |      |      |       |      |                   |        |      |     |       |                   |       |       |      |     |                    |        |       |       |      |                   |        |      |      |    |
|                                      |         |      |      |       |      |                   |        |      |     |       |                   |       |       |      |     |                    |        |       |       |      |                   |        |      |      |    |
| 2700 Abitibi P'ty                    | \$155   | 151  | 151  | 144   | -    | 9800 Cominco      | \$21   | 201  | 201 | -1    | 11400 Laidlow A x | \$101 | 147   | 147  | 15  | 17300 StLaw Corp A | \$157  | 154   | 151   | 151  | 12300 Sopite Re   | \$40   | 335  | 340  | -5 |
| 3000 AgnicoEld                       | \$55    | 55   | 55   | 55    | -    | 500 Copernic      | 250    | 250  | 250 | +10   | 12000 Laidlow B x | \$15  | 141   | 141  | 15  | 12000 Scott Paper  | \$18   | 17    | 17    | 17   | 9800 Scott Hous   | \$177  | 171  | 171  | 17 |
| 42100 Air Cde                        | \$65    | 65   | 65   | 65    | -    | 17000 Corus Gas   | \$33   | 33   | 33  | -1    | 2000 Laurent Gp   | \$87  | 87    | 87   | 0   | 20000 Segman Cos   | \$1134 | 113   | 113   | 12   | 12000 Sears Can   | \$12   | 12   | 12   | 0  |
| 42000 Altria Bn                      | \$144   | 144  | 144  | 144   | -    | 18200 Corus Gp    | 40     | 47   | 40  | -7    | 10300 London Mar  | \$85  | 85    | 85   | 0   | 2700 Sherritt G    | \$30   | 30    | 30    | 0    | 42000 Sherritt G  | \$77   | 75   | 75   | -2 |
| 47000 Alstra/Metgas                  | \$17    | 16   | 16   | 16    | -    | 13200 CrownX A    | \$75   | 95   | 95  | -5    | 5800 Loblaw       | \$21  | 21    | 21   | 0   | 42000 Sherritt G   | \$77   | 75    | 75    | -2   | 12000 SMC Group   | \$17   | 16   | 16   | 0  |
| 74200 Alcan Al                       | \$252   | 245  | 245  | 245   | -    | 1000 Demarest A   | 65     | 65   | 65  | -     | 10000 Magna Int'l | \$65  | 65    | 65   | 0   | 25000 Sonora Gold  | \$18   | 18    | 18    | 0    | 22000 Southern    | \$18   | 18   | 18   | 0  |
| 34000 Am Bar                         | \$224   | 215  | 215  | 22    | -    | 1300 Delton       | 57     | 75   | 75  | -     | 1000 Marti Tel    | \$101 | 101   | 101  | 0   | 7000 Spar Aero     | \$152  | 152   | 152   | 0    | 34000 Stelco      | \$75   | 74   | 74   | -1 |
| 34000 Alco Cl 1                      | \$134   | 125  | 125  | 125   | -    | 20000 Dofrost A   | 50     | 50   | 50  | -     | 1000 Marti Tel    | \$101 | 101   | 101  | 0   | 17000 Teek B       | \$224  | 224   | 224   | 0    | 53400 Teek B      | \$224  | 224  | 224  | 0  |
| 500 BCE Dev                          | 13      | 13   | 13   | 14    | -    | 20700 Edo Bay M   | \$51   | 51   | 51  | -1    | 1000 Metal Min    | \$101 | 101   | 101  | 0   | 56700 Thomson      | \$173  | 174   | 174   | 1    | 122000 Toronair B | \$1012 | 1012 | 1012 | 0  |
| 355200 Et Mont'ri                    | \$680   | 384  | 384  | 385   | +4   | 14400 Enso Ltd    | \$55   | 55   | 55  | -     | 5900 Molson Corp  | \$42  | 42    | 42   | 0   | 22000 TotalFPA/Am  | \$273  | 273   | 273   | 0    | 10700 TotalFPA/Am | \$273  | 273  | 273  | 0  |
| 764000 Et Nove Sc                    | \$164   | 156  | 156  | 156   | -    | 500 Euro Empre    | \$124  | 124  | 124 | -     | 114000 Muscocho   | \$7   | 7     | 7    | -   | 103400 TransAlta   | \$125  | 125   | 125   | 0    | 158300 TransAlta  | \$125  | 125  | 125  | 0  |
| 10000 EC Super A                     | \$142   | 142  | 142  | 142   | -    | 5000 Euro Nav     | \$111  | 111  | 111 | -1    | 10000 Net Br Can  | \$101 | 101   | 101  | 0   | 17700 Triton A     | \$125  | 124   | 124   | -1   | 30700 Triton A    | \$75   | 71   | 71   | -4 |
| 162000 Energie A                     | 11      | 11   | 11   | 11    | -    | 12000 FPI Ltd     | 35     | 35   | 35  | -1    | 150000 Noranda    | \$101 | 101   | 101  | 0   | 15300 Triton A     | \$101  | 101   | 101   | 0    | 35000 Triton A    | \$101  | 101  | 101  | 0  |
| 51000 ESGR A                         | \$75    | 75   | 75   | 75    | -    | 17100 Fort Ind A  | 50     | 50   | 50  | -1    | 15500 Normandie   | \$181 | 181   | 181  | 0   | 163000 Verity Op   | 305    | 300   | 300   | -5   | 165000 Verity Op  | 305    | 300  | 300  | -5 |
| 122700 Esmirna/S                     | \$1512  | 1512 | 1512 | 1512  | -    | 6000 Fleming      | \$141  | 141  | 141 | -     | 15500 Normandie   | \$225 | 225   | 225  | 0   | 165000 Vicoray     | 400    | 400   | 400   | 0    | 165000 Vicoray    | 400    | 400  | 400  | 0  |
| 100000 Esmirna/B                     | \$1512  | 1512 | 1512 | 1512  | -    | 60000 Forte       | \$225  | 225  | 225 | -     | 16000 Northgate   | \$131 | 131   | 131  | -   | 21000 W-Ecom       | \$121  | 205   | 21    | -    | 16000 W-Ecom      | \$121  | 205  | 21   | -  |
| 22100 Esmirna/C                      | \$1512  | 1512 | 1512 | 1512  | -    | 49000 Four Seas   | \$165  | 165  | 165 | -     | 175000 Northgate  | \$131 | 131   | 131  | -   | 21000 W-Ecom       | \$121  | 205   | 21    | -    | 175000 Northgate  | \$131  | 131  | 131  | -  |
| 60000 Esmirna/D                      | \$1512  | 1512 | 1512 | 1512  | -    | 54000 FrancoNav   | \$165  | 165  | 165 | -     | 18000 Northgate   | \$131 | 131   | 131  | -   | 21000 W-Ecom       | \$121  | 205   | 21    | -    | 175000 Northgate  | \$131  | 131  | 131  | -  |
| 60000 Esmirna/E                      | \$1512  | 1512 | 1512 | 1512  | -    | 60000 Galactic    | 80     | 80   | 80  | -     | 185000 Northgate  | \$101 | 101   | 101  | -   | 175000 Northgate   | \$131  | 131   | 131   | -    | 185000 Northgate  | \$131  | 131  | 131  | -  |
| 27400 Esmirna/F                      | 67      | 66   | 66   | 66    | -    | 300 Gemini A      | \$622  | 22   | 22  | -     | 19000 Northgate   | \$101 | 101   | 101  | -   | 185000 Northgate   | \$131  | 131   | 131   | -    | 19000 Northgate   | \$101  | 101  | 101  | -  |
| 98000 ETC Tel                        | \$187   | 184  | 184  | 184   | -    | 80000 Gemini B    | 400    | 400  | 400 | -     | 19500 Northgate   | \$101 | 101   | 101  | -   | 185000 Northgate   | \$131  | 131   | 131   | -    | 19000 Northgate   | \$101  | 101  | 101  | -  |
| 42000 Esmirna/G                      | 107     | 107  | 107  | 107   | -    | 20100 Glendale    | \$10   | 300  | 310 | -     | 20000 Northgate   | \$101 | 101   | 101  | -   | 185000 Northgate   | \$131  | 131   | 131   | -    | 19000 Northgate   | \$101  | 101  | 101  | -  |
| 300 Brunswick                        | \$75    | 75   | 75   | 75    | -    | 20200 Grangemouth | 122    | 130  | 130 | -     | 20500 Northgate   | \$101 | 101   | 101  | -   | 185000 Northgate   | \$131  | 131   | 131   | -    | 19000 Northgate   | \$101  | 101  | 101  | -  |
| 314500 CAE Ind                       | 55      | 55   | 55   | 55    | -    | 21200 HarrisGrp A | \$55   | 55   | 55  | -     | 21000 Northgate   | \$101 | 101   | 101  | -   | 185000 Northgate   | \$131  | 131   | 131   | -    | 19000 Northgate   | \$101  | 101  | 101  | -  |
| 7200 Cambior                         | 55      | 55   | 55   | 55    | -    | 22000 Hawker Sid  | \$274  | 274  | 274 | -     | 21500 Northgate   | \$101 | 101   | 101  | -   | 185000 Northgate   | \$131  | 131   | 131   | -    | 19000 Northgate   | \$101  | 101  | 101  | -  |
| 4800 Cambridge                       | 55      | 55   | 55   | 55    | -    | 24000 Hecla Gold  | \$75   | 75   | 75  | -     | 22000 Northgate   | \$101 | 101   | 101  | -   | 185000 Northgate   | \$131  | 131   | 131   | -    | 19000 Northgate   | \$101  | 101  | 101  | -  |
| 100000 Chelb Ref                     | 35      | 35   | 35   | 35    | -    | 24000 Hollinger   | \$124  | 124  | 124 | -     | 22500 Northgate   | \$101 | 101   | 101  | -   | 185000 Northgate   | \$131  | 131   | 131   | -    | 19000 Northgate   | \$101  | 101  | 101  | -  |
| 105100 Compania C                    | 70      | 70   | 70   | 70    | -    | 25000 Hollinger   | \$114  | 114  | 114 | -     | 23000 Northgate   | \$101 | 101   | 101  | -   | 185000 Northgate   | \$131  | 131   | 131   | -    | 19000 Northgate   | \$101  | 101  | 101  | -  |
| 100000 Compania C                    | 35      | 35   | 35   | 35    | -    | 26000 Imasco      | \$274  | 258  | 258 | -     | 23500 Northgate   | \$101 | 101   | 101  | -   | 185000 Northgate   | \$131  | 131   | 131   | -    | 19000 Northgate   | \$101  | 101  | 101  | -  |
| 47000 Comodip                        | \$164   | 152  | 152  | 152   | -    | 26500 Imp Old A   | \$55   | 55   | 55  | -     | 24000 Northgate   | \$101 | 101   | 101  | -   | 185000 Northgate   | \$131  | 131   | 131   | -    | 19000 Northgate   | \$101  | 101  | 101  | -  |
| 300000 Com Peo                       | \$203   | 204  | 204  | 204   | -    | 26700 Imp Old A   | \$55   | 55   | 55  | -     | 24500 Northgate   | \$101 | 101   | 101  | -   | 185000 Northgate   | \$131  | 131   | 131   | -    | 19000 Northgate   | \$101  | 101  | 101  | -  |
| 47000 Com Pea                        | \$16145 | 144  | 144  | 144   | -    | 26700 Impco       | \$1642 | 404  | 404 | -     | 25000 Northgate   | \$101 | 101   | 101  | -   | 185000 Northgate   | \$131  | 131   | 131   | -    | 19000 Northgate   | \$101  | 101  | 101  | -  |
| 42000 Com Util B                     | \$104   | 104  | 104  | 104   | -    | 2700 Interchem    | \$164  | 474  | 474 | -     | 25500 Northgate   | \$101 | 101   | 101  | -   | 185000 Northgate   | \$131  | 131   | 131   | -    | 19000 Northgate   | \$101  | 101  | 101  | -  |
| 100000 Comunex                       | 45      | 45   | 45   | 45    | -    | 2700 Invest Grp   | \$164  | 474  | 474 | -     | 26000 Northgate   | \$101 | 101   | 101  | -   | 185000 Northgate   | \$131  | 131   | 131   | -    | 19000 Northgate   | \$101  | 101  | 101  | -  |
| 105200 Confor                        | \$252   | 254  | 254  | 254   | -    | 27000 Labatt      | \$244  | 24   | 24  | -     | 26500 Northgate   | \$101 | 101   | 101  | -   | 185000 Northgate   | \$131  | 131   | 131   | -    | 19000 Northgate   | \$101  | 101  | 101  | -  |
| 90000 Core Op                        | \$165   | 165  | 165  | 165   | -    | 303000 Lab Minis  | \$82   | 64   | 64  | -     | 27000 Northgate   | \$101 | 101   | 101  | -   | 185000 Northgate   | \$131  | 131   | 131   | -    | 19000 Northgate   | \$101  | 101  | 101  | -  |
| 93000 Corex Dev                      | \$165   | 165  | 165  | 165   | -    | 31100 Labcorp     | \$165  | 165  | 165 | -     | 27500 Northgate   | \$101 | 101   | 101  | -   | 185000 Northgate   | \$131  | 131   | 131   | -    | 19000 Northgate   | \$101  | 101  | 101  | -  |
| 500 Cascades                         | 480     | 480  | 480  | 480   | -    | 32700 Labcorp     | \$165  | 165  | 165 | -     | 28000 Northgate   | \$101 | 101   | 101  | -   | 185000 Northgate   | \$131  | 131   | 131   | -    | 19000 Northgate   | \$101  | 101  | 101  | -  |
| 1200 Colfemex                        | 358     | 358  | 358  | 358   | -    | 32700 Labcorp     | \$165  | 165  | 165 | -     | 28500 Northgate   | \$101 | 101   | 101  | -   | 185000 Northgate   | \$131  | 131   | 131   | -    | 19000 Northgate   | \$101  | 101  | 101  | -  |
| 2000 Colfri Cap                      | 37      | 37   | 37   | 37    | -    | 32700 Labcorp     | \$165  | 165  | 165 | -     | 29000 Northgate   | \$101 | 101   | 101  | -   | 185000 Northgate   | \$131  | 131   | 131   | -    | 19000 Northgate   | \$101  | 101  | 101  | -  |
| 2100 Chopl. Eng.                     | 354     | 354  | 354  | 354   | -    | 32700 Labcorp     | \$165  | 165  | 165 | -     | 29500 Northgate   | \$101 | 101   | 101  | -   | 185000 Northgate   | \$131  | 131   | 131   | -    | 19000 Northgate   | \$101  | 101  | 101  | -  |
| 20100 Chopl. Eng. A                  | 353     | 353  | 353  | 353   | -    | 32700 Labcorp     | \$165  | 165  | 165 | -     | 30000 Northgate   | \$101 | 101   | 101  | -   | 185000 Northgate   | \$131  | 131   | 131   | -    | 19000 Northgate   | \$101  | 101  | 101  | -  |
| 45000 Chopl. Eng. A                  | 353     | 353  | 353  | 353   | -    | 32700 Labcorp     | \$165  | 165  | 165 | -     | 30500 Northgate   | \$101 | 101   | 101  | -   | 185000 Northgate   | \$131  | 131   | 131   | -    | 19000 Northgate   | \$101  | 101  | 101  | -  |
| 45000 Chopl. Eng. A                  | 353     | 353  | 353  | 353   | -    | 32700 Labcorp     | \$165  | 165  | 165 | -     | 31000 Northgate   | \$101 | 101   | 101  | -   | 185000 Northgate   | \$131  | 131   | 131   | -    | 19000 Northgate   | \$101  | 101  | 101  | -  |
| 45000 Chopl. Eng. A                  | 353     | 353  | 353  | 353   | -    | 32700 Labcorp     | \$165  | 165  | 165 | -     | 31500 Northgate   | \$101 | 101   | 101  | -   | 185000 Northgate   | \$131  | 131   | 131   | -    | 19000 Northgate   | \$101  | 101  | 101  | -  |
| 45000 Chopl. Eng. A                  | 353     | 353  | 353  | 353   | -    | 32700 Labcorp     | \$165  | 165  | 165 | -     | 32000 Northgate   | \$101 | 101   | 101  | -   | 185000 Northgate   | \$131  | 131   | 131   | -    | 19000 Northgate   | \$101  | 101  | 101  | -  |
| 45000 Chopl. Eng. A                  | 353     | 353  | 353  | 353   | -    | 32700 Labcorp     | \$165  | 165  | 165 | -     | 32500 Northgate   | \$101 | 101   | 101  | -   | 185000 Northgate   | \$131  | 131   | 131   | -    | 19000 Northgate   | \$101  | 101  | 101  | -  |
| 45000 Chopl. Eng. A                  | 353     | 353  | 353  | 353   | -    | 32700 Labcorp     | \$165  | 165  | 165 | -     | 33000 Northgate   | \$101 | 101   | 101  | -   | 185000 Northgate   | \$131  | 131   | 131   | -    | 19000 Northgate   | \$101  | 101  | 101  | -  |
| 45000 Chopl. Eng. A                  | 353     | 353  | 353  | 353   | -    | 32700 Labcorp     | \$165  | 165  | 165 | -     | 33500 Northgate   | \$101 | 101   | 101  | -   | 185000 Northgate   | \$131  | 131   | 131   | -    | 19000 Northgate   | \$101  | 101  | 101  | -  |
| 45000 Chopl. Eng. A                  | 353     | 353  | 353  | 353   | -    | 32700 Labcorp     | \$165  | 165  | 165 | -     | 34000 Northgate   | \$101 | 101   | 101  | -   | 185000 Northgate   | \$131  | 131   | 131   | -    | 19000 Northgate   | \$101  | 101  |      |    |

| NEW YORK ACTIVE STOCKS |               | TRADING ACTIVITY |         |               |          |         |         |         |         |         |         |
|------------------------|---------------|------------------|---------|---------------|----------|---------|---------|---------|---------|---------|---------|
| Wednesday              | Stocks traded | Closing          | Change  | Volume        | Millions |         |         |         |         |         |         |
|                        |               | price            | on day  |               | Apr. 24  | Apr. 23 | Apr. 22 | Apr. 24 | Apr. 23 | Apr. 22 | Apr. 24 |
| Boeing                 | 2,565,700     | 47½              | + ¼     | New York      | 166,800  | 167,800 | 164,400 |         |         |         |         |
| Lockheed               | 2,511,000     | 42½              | + ¼     | Amer          | 10,136   | 11,623  | 10,504  |         |         |         |         |
| Motorola               | 2,578,100     | 14½              | + ½     | NASDAQ        | 158,230  | 161,548 | 153,439 |         |         |         |         |
| Eastman                | 2,364,900     | 19½              | - ½     | Issues Traded | 2,052    | 2,067   | 2,055   |         |         |         |         |
| Trw T & T              | 2,361,500     | 37½              | + ½     | Rises         | 844      | 822     | 824     |         |         |         |         |
| J.W. Marmon            | 1,935,800     | 11½              | -       | Falls         | 727      | 780     | 1,236   |         |         |         |         |
| Colgate Corp           | 1,894,600     | 22½              | -       | Unchanged     | 481      | 455     | 395     |         |         |         |         |
| Bristol Myers Sq       | 1,681,900     | 74½              | - ½     | New Highs     | 73       | 56      | 44      |         |         |         |         |
| Maytag                 | 1,632,500     | 15½              | -       | New Lows      | 10       | 8       | 7       |         |         |         |         |
| Philip Morris          | 1,505,600     | 67½              | + ½     |               |          |         |         |         |         |         |         |
| <hr/>                  |               |                  |         |               |          |         |         |         |         |         |         |
| CANADA                 |               |                  |         |               |          |         |         |         |         |         |         |
| TORONTO                |               |                  |         |               |          |         |         |         |         |         |         |
|                        | Apr.          | Apr.             | Ap.     | Apr.          | 1981     |         |         |         |         |         |         |
|                        | 24            | 23               | 22      | 19            | HIGH     |         | LOW     |         |         |         |         |
| Metals & Minerals      | 3201.71       | 5196.44          | 3173.35 | 3168.52       | 3284.18  | 55(5)   | 2632.06 | 19(1)   |         |         |         |
| Composite              | 3504.10       | 3502.39          | 3491.57 | 3495.97       | 3571.53  | 16(2)   | 3261.95 | 15(1)   |         |         |         |
| MONTREAL Portfolio     | 1849.57       | 1848.41          | 1839.88 | 1839.10       | 1888.19  | 5(5)    | 1681.89 | 9(1)    |         |         |         |

TOKYO - Stock Exchange Quotations

Thursday 25 April 1991

|                | Stocks<br>Traded | Closing<br>Prices | Change<br>on day |               | Stocks<br>Traded | Closing<br>Prices | Change<br>on day |
|----------------|------------------|-------------------|------------------|---------------|------------------|-------------------|------------------|
| Sharp          | 6.8m             | 1,540             | -40              | Tsugami       | 5.1m             | 823               | -27              |
| Kobe Steel     | 5.7m             | 831               | +14              | Aoki          | 4.6m             | 770               | -30              |
| Aichi Chemical | 5.5m             | 850               | +55              | Chiyoda       | 4.6m             | 2,780             | -160             |
| Kurabo Inds    | 5.4m             | 1,050             | +40              | Nihon Nohyaku | 4.2m             | 2,250             | -160             |
| Nippon Steel   | 5.4m             | 464               | -5               | NKK           | 3.2m             | 418               | -7               |

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*3:15 pm prices April 25*

## **NEW YORK STOCK EXCHANGE COMPOSITE PRICES**

**Continued on next page**

## **NYSE COMPOSITE PRICES**

1981 PF 516  
High Low Stock CH. YTD E 1000 High  
**Continued from previous page**

## **NASDAQ NATIONAL MARKET**

*3:00 pm prices April 25*

### **AMEX COMPOSITE PRICES**

Page 1 of 25

| Stock        | PY   | Sys  | Div. | Dts. | 100s | High | Low | Clos | Chng | Stock              | PY   | Sys   | Div. | Dts. | 100s | High | Low | Clos | Chng     | Stock    | PY   | Sys | Div. | Dts. | 100s | High | Low | Clos | Chng |
|--------------|------|------|------|------|------|------|-----|------|------|--------------------|------|-------|------|------|------|------|-----|------|----------|----------|------|-----|------|------|------|------|-----|------|------|
| T & E        | 0    | 215  | 52   | 34   | 34   | 34   | 34  | 34   | -1   | Chiles             | 21   | 4024  | 42   | 445  | 42   | 42   | 42  | 42   | +1       | Hanbro   | 0.34 | 18  | 403  | 281  | 277  | 277  | 281 | +1   |      |
| Trans Corp   | 1    | 1200 | 55   | 55   | 55   | 55   | 55  | 55   | -1   | GMI Corp           | 0    | 445   | -    | -    | -    | -    | -   | -    | -        | Pal Corp | 0.44 | 37  | 555  | 345  | 322  | 322  | 345 | +1   |      |
| Tristar Corp | 2    | 24   | 204  | 19   | 19   | 19   | 19  | 19   | -1   | Gen'l R&A          | 1    | 171   | 42   | 42   | 42   | 42   | 42  | 42   | -1       | Pagans G | 0.59 | 171 | 121  | 114  | 114  | 114  | 114 | +1   |      |
| Tri-Mark     | 2    | 72   | 12   | 12   | 12   | 12   | 12  | 12   | -1   | Commodore Computer | 28   | 27    | 20   | 20   | 20   | 20   | 20  | -1   | Perf     | 0.15     | 15   | 1   | 1    | 1    | 1    | 1    | +1  |      |      |
| Tri-Ind      | 1    | 5    | 3    | 3    | 3    | 3    | 3   | 3    | -1   | Gen'l R&A          | 33   | 21    | 5    | 5    | 5    | 5    | 5   | -1   | Per H&P  | 0.31     | 7    | 5   | 5    | 5    | 5    | 5    | +1  |      |      |
| Tri-Pac      | 0    | 81   | 167  | 614  | 614  | 605  | 605 | 605  | -1   | Gen'l R&A          | 0    | 645   | 7    | 21   | 21   | 21   | 21  | 21   | -1       | Phila LD | 0.16 | 11  | 7    | 5    | 5    | 5    | 5   | +1   |      |
| Tri-Pac      | 0    | 38   | 100  | 355  | 355  | 355  | 355 | 355  | -1   | Cont'l Air         | 0    | 10206 | 360  | 42   | 42   | 42   | 42  | 42   | -1       | P-P      | 1    | 1   | 1    | 1    | 1    | 1    | +1  |      |      |
| Tri-Pac      | 0    | 54   | 1205 | 195  | 195  | 195  | 195 | 195  | -1   | Conra A            | 15   | 67    | 26   | 26   | 26   | 26   | 26  | -1   | -Gen     | 0.12     | 25   | 73  | 52   | 52   | 52   | 52   | +1  |      |      |
| Tri-Pac      | 0    | 15   | 17   | 266  | 75   | 75   | 75  | 75   | -1   | Conra A            | 0.40 | 11    | 77   | 29   | 29   | 29   | 29  | -1   | Presid   | 0.10     | 4    | 85  | 52   | 52   | 52   | 52   | +1  |      |      |
| Tri-Pac      | 0    | 58   | 7    | 140  | 75   | 75   | 75  | 75   | -1   | Green C A          | 0.40 | 13    | 75   | 29   | 29   | 29   | 29  | -1   | Pro Com  | 0.30     | 11   | 7   | 5    | 5    | 5    | 5    | +1  |      |      |
| Tri-Pac      | 0    | 10   | 1827 | 164  | 164  | 164  | 164 | 164  | -1   | Green C B          | 0.63 | 7     | 23   | 23   | 23   | 23   | 23  | -1   | Pro Care | 0.30     | 4    | 4   | 2    | 2    | 2    | 2    | +1  |      |      |
| Tri-Pac      | 27   | 345  | 34   | 88   | 88   | 88   | 88  | 88   | -1   | Global             | 3    | 363   | 2    | 52   | 52   | 52   | 52  | -1   | PRIM C   | 0        | 3    | 8   | 60   | 42   | 42   | 42   | +1  |      |      |
| Tri-Pac      | 3.20 | 20   | 23   | 88   | 88   | 88   | 88  | 88   | -1   | Global             | 37   | 4     | 12   | 12   | 12   | 12   | 12  | -1   | Prudick  | 0.40     | 11   | 7   | 4    | 2    | 2    | 2    | +1  |      |      |
| Tri-Pac      | 38   | 13   | 13   | 35   | 35   | 35   | 35  | 35   | -1   | Global             | 0    | 36    | 4    | 12   | 12   | 12   | 12  | -1   |          |          |      |     |      |      |      |      |     |      |      |
| Tri-Pac      | 40   | 7    | 827  | 13   | 13   | 13   | 13  | 13   | -1   | Global             | 0.76 | 14    | 4    | 14   | 14   | 14   | 14  | -1   |          |          |      |     |      |      |      |      |     |      |      |
| Tri-Pac      | 6    | 13   | 2    | 24   | 24   | 24   | 24  | 24   | -1   | Global             | 4    | 448   | 5    | 12   | 12   | 12   | 12  | -1   |          |          |      |     |      |      |      |      |     |      |      |
| Tri-Pac      | 8    | 10   | 5    | 45   | 45   | 45   | 45  | 45   | -1   | GAC Inds           | 0.63 | 0     | 15   | 15   | 15   | 15   | 15  | -1   |          |          |      |     |      |      |      |      |     |      |      |
| Tri-Pac      | 10   | 22   | 11   | 11   | 11   | 11   | 11  | 11   | -1   | Glasin Co          | 2.00 | 13    | 5    | 11   | 11   | 11   | 11  | -1   |          |          |      |     |      |      |      |      |     |      |      |
| Tri-Pac      | 12   | 14   | 14   | 264  | 264  | 264  | 264 | 264  | -1   | Gen'l R&A          | 1    | 1402  | 87   | 87   | 87   | 87   | 87  | -1   |          |          |      |     |      |      |      |      |     |      |      |
| Tri-Pac      | 1.20 | 12   | 6    | 27   | 27   | 27   | 27  | 27   | -1   | Gen'l R&A          | 16   | 35    | 26   | 26   | 26   | 26   | 26  | -1   |          |          |      |     |      |      |      |      |     |      |      |
| Tri-Pac      | 0.40 | 14   | 14   | 25   | 25   | 25   | 25  | 25   | -1   | Gen'l R&A          | 14   | 5     | 62   | 62   | 62   | 62   | 62  | -1   |          |          |      |     |      |      |      |      |     |      |      |
| Tri-Pac      | 1.20 | 12   | 6    | 27   | 27   | 27   | 27  | 27   | -1   | Gen'l R&A          | 0    | 105   | 2    | 25   | 25   | 25   | 25  | -1   |          |          |      |     |      |      |      |      |     |      |      |
| Tri-Pac      | 0.40 | 14   | 14   | 25   | 25   | 25   | 25  | 25   | -1   | Gen'l R&A          | 30   | 2375  | 2    | 25   | 25   | 25   | 25  | -1   |          |          |      |     |      |      |      |      |     |      |      |
| Tri-Pac      | 0    | 8    | 2100 | -    | -    | -    | -   | -    | -1   | Gen'l R&A          | 5    | 2100  | -    | -    | -    | -    | -   | -1   |          |          |      |     |      |      |      |      |     |      |      |
| Tri-Pac      | 0.45 | 15   | 17   | 11   | 11   | 11   | 11  | 11   | -1   | Feb Inds           | 0.80 | 10    | 26   | 37   | 37   | 37   | 37  | -1   |          |          |      |     |      |      |      |      |     |      |      |
| Tri-Pac      | 0.45 | 15   | 17   | 11   | 11   | 11   | 11  | 11   | -1   | Feb Inds           | 0.40 | 12    | 32   | 15   | 15   | 15   | 15  | -1   |          |          |      |     |      |      |      |      |     |      |      |
| Tri-Pac      | 0.45 | 15   | 17   | 11   | 11   | 11   | 11  | 11   | -1   | Feb Inds           | 0.80 | 10    | 26   | 37   | 37   | 37   | 37  | -1   |          |          |      |     |      |      |      |      |     |      |      |
| Tri-Pac      | 0.45 | 15   | 17   | 11   | 11   | 11   | 11  | 11   | -1   | Feb Inds           | 0.40 | 12    | 32   | 15   | 15   | 15   | 15  | -1   |          |          |      |     |      |      |      |      |     |      |      |
| Tri-Pac      | 0.45 | 15   | 17   | 11   | 11   | 11   | 11  | 11   | -1   | Feb Inds           | 0.40 | 12    | 32   | 15   | 15   | 15   | 15  | -1   |          |          |      |     |      |      |      |      |     |      |      |
| Tri-Pac      | 0.45 | 15   | 17   | 11   | 11   | 11   | 11  | 11   | -1   | Feb Inds           | 0.40 | 12    | 32   | 15   | 15   | 15   | 15  | -1   |          |          |      |     |      |      |      |      |     |      |      |
| Tri-Pac      | 0.45 | 15   | 17   | 11   | 11   | 11   | 11  | 11   | -1   | Feb Inds           | 0.40 | 12    | 32   | 15   | 15   | 15   | 15  | -1   |          |          |      |     |      |      |      |      |     |      |      |
| Tri-Pac      | 0.45 | 15   | 17   | 11   | 11   | 11   | 11  | 11   | -1   | Feb Inds           | 0.40 | 12    | 32   | 15   | 15   | 15   | 15  | -1   |          |          |      |     |      |      |      |      |     |      |      |
| Tri-Pac      | 0.45 | 15   | 17   | 11   | 11   | 11   | 11  | 11   | -1   | Feb Inds           | 0.40 | 12    | 32   | 15   | 15   | 15   | 15  | -1   |          |          |      |     |      |      |      |      |     |      |      |
| Tri-Pac      | 0.45 | 15   | 17   | 11   | 11   | 11   | 11  | 11   | -1   | Feb Inds           | 0.40 | 12    | 32   | 15   | 15   | 15   | 15  | -1   |          |          |      |     |      |      |      |      |     |      |      |
| Tri-Pac      | 0.45 | 15   | 17   | 11   | 11   | 11   | 11  | 11   | -1   | Feb Inds           | 0.40 | 12    | 32   | 15   | 15   | 15   | 15  | -1   |          |          |      |     |      |      |      |      |     |      |      |
| Tri-Pac      | 0.45 | 15   | 17   | 11   | 11   | 11   | 11  | 11   | -1   | Feb Inds           | 0.40 | 12    | 32   | 15   | 15   | 15   | 15  | -1   |          |          |      |     |      |      |      |      |     |      |      |
| Tri-Pac      | 0.45 | 15   | 17   | 11   | 11   | 11   | 11  | 11   | -1   | Feb Inds           | 0.40 | 12    | 32   | 15   | 15   | 15   | 15  | -1   |          |          |      |     |      |      |      |      |     |      |      |
| Tri-Pac      | 0.45 | 15   | 17   | 11   | 11   | 11   | 11  | 11   | -1   | Feb Inds           | 0.40 | 12    | 32   | 15   | 15   | 15   | 15  | -1   |          |          |      |     |      |      |      |      |     |      |      |
| Tri-Pac      | 0.45 | 15   | 17   | 11   | 11   | 11   | 11  | 11   | -1   | Feb Inds           | 0.40 | 12    | 32   | 15   | 15   | 15   | 15  | -1   |          |          |      |     |      |      |      |      |     |      |      |
| Tri-Pac      | 0.45 | 15   | 17   | 11   | 11   | 11   | 11  | 11   | -1   | Feb Inds           | 0.40 | 12    | 32   | 15   | 15   | 15   | 15  | -1   |          |          |      |     |      |      |      |      |     |      |      |
| Tri-Pac      | 0.45 | 15   | 17   | 11   | 11   | 11   | 11  | 11   | -1   | Feb Inds           | 0.40 | 12    | 32   | 15   | 15   | 15   | 15  | -1   |          |          |      |     |      |      |      |      |     |      |      |
| Tri-Pac      | 0.45 | 15   | 17   | 11   | 11   | 11   | 11  | 11   | -1   | Feb Inds           | 0.40 | 12    | 32   | 15   | 15   | 15   | 15  | -1   |          |          |      |     |      |      |      |      |     |      |      |
| Tri-Pac      | 0.45 | 15   | 17   | 11   | 11   | 11   | 11  | 11   | -1   | Feb Inds           | 0.40 | 12    | 32   | 15   | 15   | 15   | 15  | -1   |          |          |      |     |      |      |      |      |     |      |      |
| Tri-Pac      | 0.45 | 15   | 17   | 11   | 11   | 11   | 11  | 11   | -1   | Feb Inds           | 0.40 | 12    | 32   | 15   | 15   | 15   | 15  | -1   |          |          |      |     |      |      |      |      |     |      |      |
| Tri-Pac      | 0.45 | 15   | 17   | 11   | 11   | 11   | 11  | 11   | -1   | Feb Inds           | 0.40 | 12    | 32   | 15   | 15   | 15   | 15  | -1   |          |          |      |     |      |      |      |      |     |      |      |
| Tri-Pac      | 0.45 | 15   | 17   | 11   | 11   | 11   | 11  | 11   | -1   | Feb Inds           | 0.40 | 12    | 32   | 15   | 15   | 15   | 15  | -1   |          |          |      |     |      |      |      |      |     |      |      |
| Tri-Pac      | 0.45 | 15   | 17   | 11   | 11   | 11   | 11  | 11   | -1   | Feb Inds           | 0.40 | 12    | 32   | 15   | 15   | 15   | 15  | -1   |          |          |      |     |      |      |      |      |     |      |      |
| Tri-Pac      | 0.45 | 15   | 17   | 11   | 11   | 11   | 11  | 11   | -1   | Feb Inds           | 0.40 | 12    | 32   | 15   | 15   | 15   | 15  | -1   |          |          |      |     |      |      |      |      |     |      |      |
| Tri-Pac      | 0.45 | 15   | 17   | 11   | 11   | 11   | 11  | 11   | -1   | Feb Inds           | 0.40 | 12    | 32   | 15   | 15   | 15   | 15  | -1   |          |          |      |     |      |      |      |      |     |      |      |
| Tri-Pac      | 0.45 | 15   | 17   | 11   | 11   | 11   | 11  | 11   | -1   | Feb Inds           | 0.40 | 12    | 32   | 15   | 15   | 15   | 15  | -1   |          |          |      |     |      |      |      |      |     |      |      |
| Tri-Pac      | 0.45 | 15   | 17   | 11   | 11   | 11   | 11  | 11   | -1   | Feb Inds           | 0.40 | 12    | 32   | 15   | 15   | 15   | 15  | -1   |          |          |      |     |      |      |      |      |     |      |      |
| Tri-Pac      | 0.45 | 15   | 17   | 11   | 11   | 11   | 11  | 11   | -1   | Feb Inds           | 0.40 | 12    | 32   | 15   | 15   | 15   | 15  | -1   |          |          |      |     |      |      |      |      |     |      |      |
| Tri-Pac      | 0.45 | 15   | 17   | 11   | 11   | 11   | 11  | 11   | -1   | Feb Inds           | 0.40 | 12    | 32   | 15   | 15   | 15   | 15  | -1   |          |          |      |     |      |      |      |      |     |      |      |
| Tri-Pac      | 0.45 | 15   | 17   | 11   | 11   | 11   | 11  | 11   | -1   | Feb Inds           | 0.40 | 12    | 32   | 15   | 15   | 15   | 15  | -1   |          |          |      |     |      |      |      |      |     |      |      |
| Tri-Pac      | 0.45 | 15   | 17   | 11   | 11   | 11   | 11  | 11   | -1   | Feb Inds           | 0.40 | 12    | 32   | 15   | 15   | 15   | 15  | -1   |          |          |      |     |      |      |      |      |     |      |      |
| Tri-Pac      | 0.45 | 15   | 17   | 11   | 11   | 11   | 11  | 11   | -1   | Feb Inds           | 0.40 | 12    | 32   | 15   | 15   | 15   | 15  | -1   |          |          |      |     |      |      |      |      |     |      |      |
| Tri-Pac      | 0.45 | 15   | 17   | 11   | 11   | 11   | 11  | 11   | -1   | Feb Inds           | 0.40 | 12    | 32   | 15   | 15   | 15   | 15  | -1   |          |          |      |     |      |      |      |      |     |      |      |
| Tri-Pac      | 0.45 | 15   | 17   | 11   | 11   | 11   | 11  | 11   | -1   | Feb Inds           | 0.40 | 12    | 32   | 15   | 15   | 15   | 15  | -1   |          |          |      |     |      |      |      |      |     |      |      |
| Tri-Pac      | 0.45 | 15   | 17   | 11   | 11   | 11   | 11  | 11   | -1   | Feb Inds           | 0.40 | 12    | 32   | 15   | 15   | 15   | 15  | -1   |          |          |      |     |      |      |      |      |     |      |      |
| Tri-Pac      | 0.45 | 15   | 17   | 11   | 11   | 11   | 11  | 11   | -1   | Feb Inds           | 0.40 | 12    | 32   | 15   | 15   | 15   | 15  | -1   |          |          |      |     |      |      |      |      |     |      |      |
| Tri-Pac      | 0.45 | 15   | 17   | 11   | 11   | 11   | 11  | 11   | -1   | Feb Inds           | 0.40 | 12    | 32   | 15   | 15   | 15   | 15  | -1   |          |          |      |     |      |      |      |      |     |      |      |
| Tri-Pac      | 0.45 | 15   | 17   | 11   | 11   | 11   | 11  | 11   | -1   | Feb Inds           | 0.40 | 12    | 32   | 15   | 15   | 15   | 15  | -1   |          |          |      |     |      |      |      |      |     |      |      |
| Tri-Pac      | 0.45 | 15   | 17   | 11   | 11   | 11   | 11  | 11   | -1   | Feb Inds           | 0.40 | 12    | 32   | 15   | 15   | 15   | 15  | -1   |          |          |      |     |      |      |      |      |     |      |      |
| Tri-Pac      | 0.45 | 15   | 17   | 11   | 11   | 11   | 11  | 11   | -1   | Feb Inds           | 0.40 | 12    | 32   | 15   | 15   | 15   | 15  | -1   |          |          |      |     |      |      |      |      |     |      |      |
| Tri-Pac      | 0.45 | 15   | 17   |      |      |      |     |      |      |                    |      |       |      |      |      |      |     |      |          |          |      |     |      |      |      |      |     |      |      |

## **FOOD INDUSTRY**

The FT proposes to publish this survey on  
May 16th 1991.  
It will be of particular interest to the 61% of European Chief Executives in food and related industries who are regular FT readers. If you want to reach this important audience, call Jonathan Wallis on 071 873 3565 or fax 071 873 3062.

FT SURVEYS

**MANAGEMENT  
CONSULTANCY**

The FT proposes to publish this survey on May 15 1991.

**May 15 1991.**  
It will be of particular interest to the 130,000 directors and managers who read the FT daily. If you want to reach this important audience, call Sara Mason on 071 873 3349 or fax 071 873

**3064.**

• 100 •

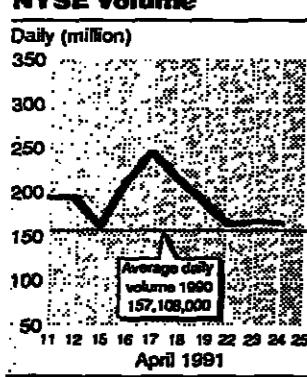
## Airlines climb despite first quarter losses

### Wall Street

SHARE prices recovered yesterday morning from early losses triggered by a wave of computerised sell programs, but sentiment remained subdued, writes Patrick Harverson in New York.

At 1.30 pm the Dow Jones Industrial Average was down 1.33 at 2,947.77. The broader-based Standard & Poor's 500 eased 1.22 to 361.54 by 1 pm, while the Nasdaq composite of over-the-counter stocks fared marginally better, dropping just 0.66 to 497.78. New York SE turnover was relatively heavy at 106.5m shares by 1 pm. Declining stocks outnumbered rising stocks by 223 to 581 by early afternoon.

### NYSE volume



### EUROPE

#### Canada

TORONTO stocks were lower at midday. A weak gold sector pulled the composite index down 6.5 to 3,977.7. Declines led advances by 217 to 137 on volume of 12.6m shares.

Among gold shares, Placer Dome slipped C\$8 to C\$157, Hemlo Gold fell C\$4 to C\$174, Lac Minerals dropped C\$4 to C\$89 and American Barrick rose C\$4 to C\$22.

Rogers Communications broke its 52-week high, peaking at C\$10.4% before slipping to C\$10.4%, up C\$0.4. On Wednesday, the company said it would float its mobile communications subsidiary.

Aicam fell C\$4 to C\$24.4%. The company said it would have to re-examine its capital spending and its dividend if the industry remains weak. The company also said it plans to cut costs by C\$200m in 1991.

Bombardier class B shares jumped C\$7 to C\$18.4% on volume of 57,000 shares, hitting a new 52-week high. This week the company won orders worth C\$300m, including options.

### ASIA PACIFIC

## Arbitrage buying fails to support Nikkei

### Tokyo

Sporadic buying by arbitrageurs failed to support share prices yesterday, and the weaker yen and higher bond yields added to the depressed sentiment, writes Emiko Terazono in Tokyo.

The Nikkei average fell a further 29.35 to 26,038.85 after a day's high of 26,341.85 in the morning, and a low of 26,037.87 just before the close. Volume stayed dull at 380m shares and declines outweighed advances by 787 to 213, with 137 issues unchanged. The Topix index of all first section stocks slipped 21.47 to 1,952.56, and in London the ISE/Nikkei 50 Index eased 2.36 to 1,475.42.

Traders said investors and dealers liquidating positions before the Golden Week holidays contributed to the weak trend. Miss Bonnies Ivey at Credit Lyonnais Securities said it would be hard for the market to regain strength even after the holidays as long as short-term interest rates remained at high levels.

In addition, cash positions related to arbitrage trading were announced to have risen

## Natural gas emerges as Europe's fuel for the 1990s

Deborah Hargreaves outlines investment opportunities in an industry where de-regulation is overdue

THE EMERGENCE of natural gas as the fuel of choice in Europe presents a promising investment theme for the 1990s. The main competitors to gas - oil, coal and nuclear power - have become less attractive in recent years to West European governments and consumers alike on environmental and inflationary grounds.

On a longer term view, the market for gas supply could become more competitive as the European Commission attempts to liberalise the industry by loosening the grip of entrenched monopoly suppliers.

Kleinwort Benson, the London stockbroker, estimates that West European gas demand will rise from a current 25bn cubic feet a day to 36.5bn cubic feet by 2000 and 44bn cubic feet by 2010. Much of this increase will be met by Europe's main producers - the UK, the Netherlands and Norway - but imports from Algeria and the Soviet Union are also likely to rise.

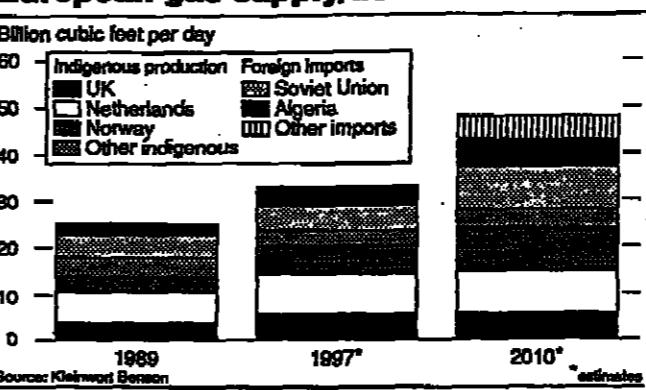
Investors wanting exposure to the growing demand for gas

in Europe have various options, says Mr Philip Lambert, the author of Kleinwort Benson's gas review. Royal Dutch/Shell's position in European gas is second to none and it has a strong presence in most of the transmission companies in Europe.

Norsk Hydro is an obvious beneficiary of the increase in Norwegian gas supply. Not only is it likely that Norsk Hydro's gas production will nearly triple to 110,000 barrels of oil equivalent a day (boe/d) over the next 10 years, but in its 6.5 trillion cubic feet (tcf) of proven or probable gas reserves - until recently regarded as uncommercial - could soon become its most valuable asset. Norway's Saga Petroleum is an even purer play than Norsk Hydro, which also has aluminium, fertiliser and petrochemical interests.

Italy's gas market should be viewed as the most bullish in Europe, in spite of the 24 per cent market share that natural gas already has of the primary energy market. Kleinwort Benson forecasts that this will rise to 30 per cent by 2000, since

### European gas supply/demand



Italy has abandoned nuclear power and is under pressure to reduce dependence on oil, which accounts for 58.2 per cent of the energy market. E.ON, a quoted distribution company, looks attractive on a three-year view, during which the dividend should begin to rise in line with the growth of its gas business.

The jump in demand could help small independent suppliers and gas traders trying to break into the European Com-

munity market, but for this to happen the Commission would have to pass legislation to further open up the gas market.

Europe's gas market is controlled by a small group of monopoly suppliers which control production, transmission and distribution. GDF de France, SNAM, in Italy, British Gas, in the UK, Ruhrgas, in Germany, and Gasunie, in the Netherlands, are very large players. Where a statutory monopoly is not in place many

countries allow a major supplier to retain its dominance.

But the Commission has challenged the entrenched monopolies that exist in three EC countries for the import and export of gas by initiating legal proceedings against France, Denmark and Belgium. In spite of deep opposition from the gas suppliers, the Commission wants to institute a policy of open access in the EC, whereby independent suppliers would be allowed access to existing pipelines for gas transport to customers.

EFG Aquitaine is a major oil producer trying to gain greater access to the EC gas market. Natural gas already accounts for around one-seventh of EFG's earnings per share, and Mr Lolk Le Floch-Prigent, its chairman, has said recently that the monopoly gas suppliers will have to face more competition in future. GDF de France, SNAM, in Italy, British Gas, in the UK, Ruhrgas, in Germany, and Gasunie, in the Netherlands, are very large players. Where a statutory monopoly is not in place many

companies such as BASF and Dow Chemical - large users of gas - which are pushing strongly for a policy of open access in gas sales. They argue that this will reduce gas prices. The gas companies say it will take away the incentive to invest in long-term projects in an industry with extremely long lead times. This, says the suppliers, will reduce the security of supply for consumers.

delay the completion of the project.

Lyonnaisse-Dumez tumbled

FF128 or 4.5 per cent to FF1350

with 194,800 shares traded on disappointment at the merged group's 1990 results announced late on Wednesday. Analysts said the capital gains shown were lower than expected and that expectations for the current year were not encouraging. Poor first quarter results from its Canadian subsidiary United Weatherstone also weighed on Nedlloyd. Mr Hagen controls 23 per cent of Nedlloyd.

PARIS was flat for most of the day and then shed five points at the close as Wall Street weakened. The CAC 40 index closed 5.02 lower at 1,777.01 in unimpressive volume of FF1,650m.

Euro Disney was the day's most active stock, falling FF1,900 FF1,950 with 431,900 shares traded on reports that a dispute between two companies helping build the amusement park outside Paris could disrupt part of the park's construction. Euro Disney later said that the dispute would not

invest in industry. The all-share index closed up 0.8% or 1.3 per cent to 475.01 in turnover worth NKX270m.

Norsk Hydro jumped NKY1.5 to NKY2.0 on a drop of a quarter in first quarter net income, mainly as a result of the stronger dollar.

MADRID slipped in the afternoon session, and the general index closed down 2.10 at 272.92.

ISTANBUL's market index fell 33.3 to 4,134.26, taking its fall to over 246, or 5.6 per cent since it came back from an extended holiday on Wednesday.

### SOUTH AFRICA

CONTINUED demand for industrial and a weaker rand lifted the industrial index by 37 to 3,942. CS Holdings, parent of Credit Suisse, came under pressure for the second consecutive day and was the most active stock on rumours of a dividend cut and rights issue; the shares fell another SF780 to SF2,030.

OSLO was buoyed up by better-than-expected results from Norsk Hydro and news that the Labour government planned to

### FT-SE Eurotrack 100 - Apr 25

| Hourly changes |         |         |         |         |         |
|----------------|---------|---------|---------|---------|---------|
| Open           | 10 am   | 11 am   | Noon    | 1 pm    | 2 pm    |
| 1120.84        | 1121.88 | 1123.91 | 1124.63 | 1125.04 | 1122.49 |
|                |         |         |         |         |         |
| Day's High     | 1126.31 |         |         |         |         |
| Day's Low      | 1120.84 |         |         |         |         |

Close value 100 (par/100)

many - higher interest rates and the sharp slowdown in growth - threatened its neighbours almost as much as Germany itself, and that the speed of recovery in the US and other English speaking economies may be more important to German equity prospects than continental and domestic concerns.

At midsession, the FAZ index was 3.00 better at 665.22, a new closing 1991 high. The DAX index closed 16.72 higher at 1,620.45, an intraday high of 1,626.35 took it temporarily into new territory, against a closing 1991 high of 1,621.83. Volume rose from DM8.1bn to DM7.8m.

Mr Andrew Bell, European strategy analyst at Barclays de Zoete Wedd, said that a DAX index closing 20 points outside of its trading range for the past three months had not made a fundamental change in the market. However, he thought that the main risks for Ger-

many - higher interest rates and the sharp slowdown in growth - threatened its neighbours almost as much as Germany itself, and that the speed of recovery in the US and other English speaking economies may be more important to German equity prospects than continental and domestic concerns.

AMSTERDAM ended higher thanks to a firm dollar and a strong bond market but trading was light. Dealers said activity was slowing ahead of next Tuesday's public holiday. The CBS tendency index added 0.5 to 56.0.

The big international blue chips, Siemens, Daimler and Deutsche Bank, all made good rises yesterday. Interest remained in steel and engineering with Thyssen rising DM5.40 to DM23.80 and Preussag DM8.50 to DM33.80. Retailers also featured, as Kaufhof rose

DM12 to DM51.40 after its Kaufhoff subsidiary reported first quarter sales up 22 per cent. In specialist chemicals, Degussa, oversold according to Dresser Bank, rose DM8 to DM34.

AMSTERDAM ended higher thanks to a firm dollar and a strong bond market but trading was light. Dealers said activity was slowing ahead of next Tuesday's public holiday. The CBS tendency index added 0.5 to 56.0.

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### THE GAN GROUP: 1990 RESULTS

#### Consolidated net profit: FF2.4 bn

Premium income and profit at significant levels for the Group's French insurance companies

Sharp rise in dividend

The meeting of the Board of Directors of GAN, held on April 18th, 1991 and chaired by Mr Francois Heilbronner, closed the financial statements for 1990, which will be presented to the Annual General Meeting of Shareholders on June 24, 1991.

CONSOLIDATED FINANCIAL HIGHLIGHTS

| (FFbn)                     | 1988 | 1989  | 1990  |
|----------------------------|------|-------|-------|
| Balance sheet total        | 87.5 | 599.4 | 595.2 |
| Shareholders' funds        | 9.7  | 13.4  | 17.4  |
| Group's share alloc. to    | 84.5 | 220.0 | 243.0 |
| Managed assets             | 30.9 | 86.6  | 95.6  |
| Operating income           | 1.9  | 2.5   | 2.4   |
| Net profit (Group's share) | 0.4  | 0.7   | 0.5   |

\*Full consolidation for the first time in 1989 of Compagnie Financière CFC.

The GAN Group, Europe's largest bankassurance concern, continued to expand during 1990, generating gross operating income of FF95.6bn.

The Group's balance sheet total reached FF595.2bn and its share of shareholders' funds after allotment increased by 29.9% over the preceding year to reach FF17.4bn, thereby underscoring the overall financial soundness of the Group. Net profit for the year totalled FF2.4bn.

STRONG GROWTH IN INSURANCE OPERATIONS

| (FFbn)           | 1988   | 1989 | 1990 |
|------------------|--------|------|------|
| Premiums written | 23.5   | 27.5 | 33.5 |
| % increase       | + 11.9 |      |      |

JULY 1991

# RECRUITMENT

**JOBS:** Consultant discovers surprising differences between candidates either side of 40

**A**T LAST the Jobs column has been supplied with a clue to a question that has mystified it these past 18 years or more. Why do senior executives, mostly aged at least 40, typically resist taking on people over 40 to work for them as executives?

The reason usually cited for refusing to recruit same is that folks of such advanced years are no longer up to the work. But that surely rebounds awkwardly on the executives doing the recruiting. So unless there is evidence that the "not-it" clause does not apply to job-hoppers already ranked as seniors (and I've never seen any) we would seem to be faced with a paradox.

Fortunately, a way out has been found by recruiter Barry Whitaker of the consultancy arm of Price Waterhouse. His work entails assessing job-candidates by a variety of measures - tests of verbal and numerical reasoning, and of personality, as well as "in-tray" exercises - and he has lately compared the under-40s' results with those of their elders.

So far, only one occupational group has provided him with enough candidates for the findings to be statistically respectable. It consists of finance executives, of whom he has tested 100 on the right side of the age bar, and 77 on

the wrong side. But he says the results are similar for other types such as general managers and personnel and production people.

A further thing that proved much the same was the reasonableness of the under- and over-40s. Apart from a marginal lead for the younger set on the numerical measure, there was no difference between them.

Where the two age-groups did contrast was in persuasiveness, friendliness, decisiveness and astuteness. The oldies came out stronger on all those counts, which would apparently give them an edge in the job of managing.

Nevertheless there were other factors which cast light on their unpopularity as executive recruits. For example, the oldies were more critical and controlling than the younger set, and less democratic, practical and conscientious in sticking to boring, repetitive tasks.

Hence it seems that, at the same time as being better equipped to work as managers, the over-40s are more difficult to manage. But that still leaves the question why senior executives of comparable

years are averse to taking on the challenge of managing them.

The answer, Barry Whitaker thinks, lies in another unexpected difference he has found between the two age-groups. The over-40s are more competitive. So senior recruiters, being of that nature themselves, probably see similarly inclined as well as better equipped older candidates as a greater threat to them in their own positions.

NOW to the table below, which gives indications of the pay prospects held out by different kinds of specialist work in the United Kingdom. The figures come

from the latest survey made for the British Institute of Management by the Remuneration Economics consultancy.

Dated at January 1, the study covered 24,651 middle- and upper-ranked staff in 385 widely varied organisations throughout the UK, which together employ over a tenth of the country's workforce. Anyone wanting the weighty report, which costs £25, should contact Peter Stevens of the consultancy at 51 Portland Rd, Kingston-upon-Thames, Surrey KT1 2SH; tel 081-549 8726, fax 081-541 5705.

My table is confined to 11 specialisms commonly found in

companies, and in each case shows the average total money pay - bonuses and such besides salaries - at seven levels of seniority from director downwards. Except for "Management services" which includes information technology, and "Company secretary" which covers in-house legal services, the specialisms should need no further explanation.

As may be seen, the one with the best top pay is financial management. But measured by the average prospects across all seven ranks, it is second to the company secretarial area. Third by the same measure comes marketing followed

by management services, R and D, personnel, sales, engineering design etc, purchasing, distribution, and manufacturing.

FINALLY to four jobs. All are being handled by headhunters who may not identify their clients. They therefore promise to abide by applicants' requests not to be named to the employer at this stage of the proceedings.

The first pair, being offered through Brian Standing, are for technical services managers initially based near London with a probability, though no certainty, of transfer to central Africa. They will

work for an international group making and distributing products including food and beverages, and will be responsible for efficient and profitable production.

The more senior will require higher-level experience than the second. But both must be engineers who understand finance as well as up-to-date production methods such as total quality management and just-in-time manufacturing. They need to be French-speaking too.

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Inquiries to the Standing Partnership, 83 Wycombe Rd, Marlow, Buckinghamshire SL7 3EZ; tel 0628 471185, fax 0628 422240.

The other two jobs are in the London options-sales team of an international bank, and are offered through recruiter John Williams of Russell Williams and Associates (46 St Martin's Lane, WC2N 5BG; tel 0171 879 1082, fax 0171 566 2024). Both posts need high numeracy, with one also requiring success in marketing currency options, and the other the same in marketing interest-rate options with emphasis on caps and floors.

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Michael Dixon

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If you want to discuss the post informally, telephone Tony Stacey, the Association's Director on 081-291 0220 or Derek Joseph of HACAS Recruitment (the group's advisers) on 071-609 9491. For an information pack and application form please contact: Tracy Innes Hexagon Housing Association 4 Walkman Park Road Forest Hill London SE23 2PN Office hours: 081-291 0220 24 hour answerphone: 081-639 5366

The Association aims to be an equal opportunities employer.



## The Top Opportunities Page

Appears in the Financial Times every Wednesday

For further information please contact

Stephanie Spratt 071-873 4027

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## ACCOUNTANCY COLUMN

## Caparo chief finds himself in the lions' den

By David Waller

ON WEDNESDAY night last week, Daniel paid a visit to the lions' den. Daniel was Mr James Leek, chief executive of the Caparo Group. The Dickman brothers were found guilty of fraud in February this year.

The original battle with Touche was fought over the technical legal point of whether that firm could owe a duty of care to Caparo. Caparo has recently launched a new legal action against Touche alleging negligence.

**The battle with Touche was fought over whether it could owe a duty of care to Caparo**

Caparo then took legal action against Touche and against Messrs Stephen and Robert Dickman, directors of the company. The Dickman brothers were found guilty of fraud in February this year.

The original battle with Touche was fought over the technical legal point of whether that firm could owe a duty of care to Caparo. Caparo has recently launched a new legal action against Touche alleging negligence.

The essence of last year's decision was that a company's auditors do not owe a duty of care to potential investors in the company or to the company's individual shareholders.

That decision sharply circumscribed the responsibilities of the auditing profession to third-party users of accounts. As a Coopers & Lybrand Deloitte booklet puts it: "An investor or shareholder who relies on the company's statutory accounts when deciding to purchase shares in the company has no claim against the auditors if the accounts are negligently prepared."

The decision followed a long battle with Touche Ross over the latter's audit of Fidelity, an electronics company bought by Caparo in November 1985 in a £13.5m hostile takeover bid. Soon afterwards it became clear that all was not well with the stock or the level of reported profits and the business was shut down and the Fidelity brand name sold.

Accountants were quick to welcome their responsibility also reduced their exposure to potential liabilities. After years of mounting litigation against the profession, that initial reaction was understandable; but more recently euphoria has given way to concern. Industry has always resented paying for the audit, which is, after all, a statutory obligation rather than a business necessity.

The Caparo decision has exacerbated widespread disillusionment about the purpose of an audit. Why have one at all if the auditors cannot be sued by third parties even if their work is negligent?

Mr Leek, a chartered accountant himself, observed that the profession did not know how to react to the decision. Many accountants recognised that public confidence in the profession was at stake, he said, but others were content to hide behind the letter of the newly defined law.

He complained that there had been a public statement of any significance on Caparo from the Institute of Chartered Accountants in England and Wales.

"They have set up an auditing committee to examine the issues of the standard operation gap between what the public thinks audit is doing and what they themselves believe to be their duties," but the committee's terms of reference read rather like a PR protection exercise for our own profession, and in particular there is no mention of the Caparo case itself."

He accused the profession of sheltering behind two fine legal distinctions, saying either "a shareholder who loses money as a result of my negligent auditing cannot sue me, but the client company can", or "you can sue me on a prospectus [in which auditors explicitly accept liability for their audit reports] but not on a set of audited accounts".

Mr Leek had his own suggestions for the reform of the audit law. Here are the "Caparo Five":

• Auditors should be made liable for their negligence to those users of accounts who suffer loss after taking decisions based on those accounts.

That would require a legislative change.

• Auditors should have a better

defence against the increased liability which the first reform would bring about. "That defence is the abolition of the present three-line 'true and fair' audit report," Mr Leek argued. "It has become meaningless and leaves so much unsaid." Auditors should be encouraged to use qualified audit reports more frequently, where there is reasonable ground for discomfort on either the accuracy or presentation of the figures.

• There should be an independent review body to hear cases of auditors' negligence. The new Auditing Practices Board, successor to the Auditing Practices Committee, will not fulfil this role, although a greater number of non-accountants will be involved in setting auditing standards.

Mr Leek made clear that the process of reform could not, indeed

should not, be left to the accountancy profession alone. He said it could only arrive as a result of consensus between institutions, private shareholders, the government, companies

— and the profession itself. Given the difficulties that the various branches

of the accountancy profession have in agreeing with themselves on anything, such a consensus is unlikely.

Nevertheless, Mr Leek's speech was a rare, constructive contribution to the expectation gap debate. Coming from the company whose actions triggered the debate in the first place, his suggestions are all the more welcome.

An eerie calm had descended on Chartered Accountants hall by the time Mr Leek sat down. Only one person dared challenge him. The others appeared struck dumb by the wisdom of what the Caparo chief executive had had to say — Daniel had silenced the lions.

**Auditors should give shareholders a summary of their report to management**

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BZW is one of the world's leading investment banks with a significant presence in UK and international equities sales, market-making and research. We wish to recruit a qualified chartered accountant as the Research Accountant for the UK research department. The appointed person will work closely with other UK analysts on accounting matters and have a key role to play in the further development of the department's corporate database. We also anticipate that the Research Accountant will develop and market to clients a stand-alone research product on accounting issues. Candidates should have qualified in the last two years and are likely to be seeking a first move out of the profession. This is a new position and provides the opportunity for an independent person with initiative to establish a career in an investment banking environment.

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## ACCOUNTANCY APPOINTMENTS

## Michael Page Finance

International Recruitment Consultants

REVIEW OF  
UK SENIOR  
FINANCIAL  
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The first issue in this series of quarterly publications will be available from the end of April 1991.

Compiled by Michael Page Finance in conjunction with the Financial Times, this will be the most comprehensive analysis of its type and will be essential reading material for all Chairmen, Managing Directors, Financial Directors and Personnel Directors.

The aim of this Review is to provide in-depth analysis of trends within the financial executive recruitment market, by identifying recruitment volumes for specific levels of appointment and indicating the associated

salary parameters for each geographic area of the UK.

Comparisons will also demonstrate trends in these areas both on a quarter to quarter and on a year to year basis.

Distribution will be exclusively to relevant board level executives and will be strictly on a requested basis.

To receive a complimentary copy of the first issue, please attach your business card to this advertisement and send it to:  
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**FINANCIAL TIMES**  
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A new departmental structure includes several key positions which could be filled by the successful candidate according to his/her precise strengths and preferences. These will be discussed in detail at interview.

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MANAGEMENT SELECTION

and commercial experience, an outward-looking approach and excellent interpersonal skills.

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Reporting to the Divisional Financial Director, the Treasurer will be responsible for all operational treasury matters including cash management, risk minimisation, arranging credit lines for outlying operations, documentary credits and all banking relationships. He/she will also have accounting responsibility for a number of important business areas. Occasional international travel will be necessary.

MANAGEMENT SELECTION

The position calls for an ambitious treasurer, probably aged 25-35, with an accounting background and strong international experience, capable of working effectively as part of a small, highly motivated team. Familiarity with computerised systems will be essential and personal qualities will include first class communication skills, an analytical mind and a flexible approach.

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**NORTHANTS**

## Finance Director

This successful and developing retail group requires a Finance Director for its multi-branch stores division. With sales in excess of £30 million the division has a growing profitability profile and firm plans to invest further in its expansion.

Reporting to the Managing Director, you will be a major player in a young and dynamic management team responsible for the commercial stewardship and development of the business. You will have a broad span of control over the finance and accounting, information technology and audit functions with some 20 staff. With a keen eye on bottom line performance, the emphasis of the role must be on maintaining stringent financial control procedures plus expanding and enhancing the systems to produce good quality management information to enable the management team to control and run the operations to the high standards required of them.

**c £40,000 + SUBSTANTIAL BONUS + CAR**

You will be a qualified accountant with at least 5 years' in a senior line financial role. Ideally you should have experience in the retail sector or other multi-branch businesses. Most importantly though, your personal attributes must include a well attuned commercial awareness in addition to the drive and clear sighted ability to manage change and grow with the business.

Please send full personal and career details, including day time telephone number and current remuneration level, in confidence to Chris Haworth, Coopers & Lybrand Deloitte Executive Resourcing Ltd., 76 Shoe Lane, London EC4A 3JB, quoting reference no. CHB18 on both envelope and letter.

Coopers & Lybrand Deloitte Executive Resourcing

## Real "Hands-On" Experience FINANCIAL MANAGEMENT INFORMATION

Our client is part of a group which has been operating successfully on an international basis for more than 150 years. It has operations on 4 continents, this organization places itself on the exceptional management development and international experience offered to its employees.

Exceptional opportunities such as these have now arisen for two young people (aged 25-30) with ambitious Chartered Accountants. One of these will be a seconded to Bogotá, reporting in each case to the local Finance Director. The other based in Portugal, also an expatriate, your responsibilities will cover all aspects of Management Accounting and will include:

- group reporting of key factors on a regular, routine basis
- implementation of financial controls and systems
- management of manufacturing and distribution
- ad hoc projects with commercial and overseas sites, using technical knowledge
- on-call system and reporting the above roles to a clearly accountable manager
- preparation of statements in Portuguese and probably Spanish

It is anticipated that you will progress within the Group on the 2-3 year time horizon (either in the UK or overseas).

If you feel that you are looking for the career opportunity that will broaden your horizons culturally as well as commercially you should telephone Karen Wilson BA, ACMA on 071-491 3431 or write to her at FMS, 14 Cork Street, London W1X 1PF, enclosing a recent CV and a note of your current salary.

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## European Finance Director Data Communications

### Thames Valley

A recently established European venture in computer networking is seeking a financial professional to complement the newly formed management team. This venture has an exclusive relationship with a US company which designs, manufactures, and markets fault tolerant products for the facility network market, and is a 1991 recipient of the DEC Target Award for product innovation. Since 1986, the US company has grown at an annual compound rate in excess of 70%.

Reporting to the European MD, this position will be commercially and technically demanding. Responsibilities will include active participation in the development of strategic plans; establishing lines of credit, systems, and processes appropriate to the development of European business; the negotiation and vetting of commercial contracts; and the preparation of statutory accounting returns that comply with US and European

standards. Developing and maintaining relationships with senior management, customers, and business partners is also required.

Probably aged 32-40, the ideal candidate will combine professional accounting experience with hands-on financial management within a subsidiary or affiliate of a US corporation. Excellent interpersonal skills, sound commercial acumen and resourcefulness are essential to make an effective contribution to this pan-European venture.

In addition to the advertised salary, the benefit package will include a performance-related bonus and executive car.

Interested applicants should send a detailed CV to James Hyde, at the address below, quoting reference number 056.

### MANAGEMENT SELECTION

32 OLD BURLINGTON STREET, LONDON W1X 1LB Fax: 071-287 2821. TELEPHONE: 071-287 2820.  
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ASSOCIATES

United Distillers is the world's leading spirits company. Our excellent financial performance in successive years is derived from maintaining a constant focus on a co-ordinated, highly innovative and strategic approach to all business practices.

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### BUSINESS CONTROLLER Package c£45,000

The purpose of this job is to assist Operations to meet its business objectives by:

- developing and managing the Strategic Planning Process;
- facilitating the conversion of plans into achievements;
- evaluating the business performance based on realistic financial measures;
- appraising capital projects.

The successful candidate could be a qualified accountant with proven strategic ability and a strong commercial awareness, or possess an MBA or other relevant business qualification. Experience gained within a fast moving consumer goods company would be advantageous.

The ideal person will be results driven, energetic and proactive. He or she will have the necessary range of communication and interpersonal skills to ensure that the role is one of facilitator as well as controller. Ref: AW112

### CHIEF ACCOUNTANT

### Package c£37,000

The purpose of this job is to provide a total Operations performance picture while ensuring that challenging budgets are set in order to maximise profit and cash generation. An initial key task will be to establish improved performance measures and relevant reporting across Operations.

The successful candidate will be a qualified accountant with several years' experience in a finance function.

The ideal person will have a hands-on approach, be analytical and detail orientated. He or she will also have the interpersonal and communication skills necessary for constructive liaison with other business units and all levels of management. Ref: AW113

The above posts have a benefits package which includes quality car, pension, life assurance and profit sharing, as well as relocation assistance where appropriate.

Candidates should write, in confidence, with full career and personal details including current salary, to our advisor in this assignment - Drew Watson, Executive Consultant, KPMG Management Consulting, 24 Blythswood Square, Glasgow, G2 4QS - quoting the relevant reference number.

### UNITED DISTILLERS

The Spirits Company of Guinness PLC

## Finance Director

Due to internal promotion, an opportunity has arisen for a young ambitious recently qualified accountant to join a subsidiary of Reece PLC, the rapidly expanding distribution group of companies.

c £25,000 + Car

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### FINANCE DIRECTOR SPECIALITY CHEMICALS - TEESIDE

With an impressive track record of growth in recent years, Oxford Chemicals is poised for further substantial expansion both at home and overseas by continued organic development, and by acquisition. The business has facilities located near Oxford, Teesside and the USA with two thirds of sales coming from overseas.

The Company now wishes to appoint a senior level Finance Director to the Board, who will make a vigorous contribution to the direction and success of the Company. You will be expected to ensure that professional standards operate throughout, and that the financial information you generate is used effectively in managing the business. Experience of chemical or process industries would be preferred. This is a unique opportunity to join a management team with aggressive growth ambitions for which a high level of drive and enthusiasm is a prerequisite.

The position commands an excellent remuneration package including a company car and benefits.

Candidates should write with their full career and salary details to:  
Ms Maggie Henning, Oxford Chemicals Ltd.  
2 Shires Road, Brackley, Northamptonshire, NN13 5EZ.

(Definitely no Agencies).

OXFORD CHEMICALS

## Finance Director Designate

### North London

£45,000 + Car + Benefits

Part of the Strand/VCI Group, Video Collection International Ltd is the established market leader in the video sell through market, which in the last 2 years has successfully completed a management buyout.

As a result of the continuing growth of the business the company now seeks to recruit a commercially minded Finance Director to join the small but cohesive management team.

As a key member of that team, you will be expected to contribute at a strategic level to the future development of the company. Heading the finance function the role will encompass the ongoing development of information systems, budgeting and forecasting procedures, in addition to having overall responsibility for the existing Finance



Department. This high profile role will include extensive liaison with the group finance function.

A qualified accountant, aged under 45, you must be able to demonstrate well-developed commercial and business acumen, in addition to sound technical skills. Preferably with FMCG experience you will also be an enthusiastic person possessing strong communication skills and the personality to establish credibility at a senior level.

Interested applicants should contact Diane Forrester ACA at Michael Page Finance, Executive Selection Division, Page House, 39-41 Parker Street, London WC2B 5LH, quoting reference 401. Telephone: 071-831 2000.

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**Financial Controller**

Thames Valley c.30,000 package plus car  
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**MicroTouch**

# Financial Controller

**Construction Industry****c. £35,000 + Car + Substantial Benefits****Northern Home Counties**

Our client, a multi million pound subsidiary of a major construction group, is heavily involved in the public utilities sector.

Resulting from planned and profitable growth they wish to appoint a Financial Controller who will report directly to the Managing Director and possess the personal qualities to join the board in the medium term. Assisted by a small accounts team, primary responsibilities will include:-

- \* Management of the Accounting Function.
- \* Preparation of Financial & Management Accounts.
- \* Budgeting. \* Company Secretarial Duties.

Applicants, preferably in their mid-thirties with a relevant qualification, must have strong construction industry experience, ideally with knowledge of public utilities contracting and labour-only subcontract procedures. You should be a computer literate manager able to control and develop a fully integrated mainframe system.

Salary is negotiable with company car and benefits including BUPA, Profit Share, Non-Contributory Pension Scheme. Relocation expenses may be available for the appropriate candidate.

Please write, in complete confidence, quoting Ref. VP184, to B.R.C. Potterton, Vine Potterton Limited, 152/3 Fleet Street, London EC4A 2DH. Please list on a separate sheet the names of any companies which you would not wish your details to be forwarded to.

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**The Role**

- Play important part in developing enhanced systems, initially in key areas of standard costing, SOP and stock control.
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**The Qualifications**

- Graduate calibre or equivalent. Late 20's, early 30's.
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Alternatively, candidates aged up to 30 years who are already working within the treasury/capital markets sector may also be of interest.

For an initial confidential discussion please contact Alexandra Mutch on 071-836 3545 or write to her at Robert Half, Freepost, Walter House, Bedford Street, 418 The Strand, London WC2R OBR. Alternatively, fax your details on 071-836 4942.

Your interest will not be divulged to client companies without your express permission.

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THE HUMAN FACTOR**

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The ideal candidate will probably be a qualified ACA or ACT with at least three years treasury experience gained working for a multinational organisation or a leading financial institution. Good knowledge of The City and excellent presentation and negotiation skills are essential.

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For further information about this opportunity please contact Giles Daubeney in Amsterdam (010 3120 6444 655) or alternatively send your résumé to the following address.

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RECRUITMENT CONSULTANTS  
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The Director of Audit plays a pivotal role in both devising and promoting initiatives throughout the group which produce objective assessments of the adequacy of internal controls. Operating within a decentralised reporting structure, the role of the audit function combines compliance with company policy and the appraisal of operating performance involving Quality Assurance, Cost Effectiveness and Risk Assessment reviews.

The ideal candidate will have had significant audit experience within a large, fast-moving, corporate environment. Self-confidence, sound commercial acumen and practical application are essential characteristics. In addition, excellent verbal and written presentational skills will be vital within this challenging and demanding environment. Opportunities for career development into other senior financial management roles are excellent.

Interested applicants should send a detailed CV to James Hyde at the address below, quoting reference number 055.

**ST. JAMES ASSOCIATES****MANAGEMENT SELECTION**

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For further  
information  
please call

**Richard Jones**

**071-873 3460**

**Teresa Keane**

**071-873 3199**

**Graham**

**Loveluck-Edwards**

**071-873 3607**

# Finance and Compliance Officer

**City £40-50,000 + benefits & car**

Our client is a Far East securities company which is part of a major group with diverse interests in industrial, commercial and financial markets. Its London office was established in 1987 and with the increasing internationalisation of capital markets there now exists a need to recruit a Finance and Compliance Officer.

The successful appointee would be responsible for ensuring the smooth running of back office operations, in accordance with current legal and professional requirements, ensuring that the operation complies with all relevant legislative requirements as set out by TSB.

The post would therefore suit a qualified accountant with significant experience in the compliance field and who has preferably worked within a multicultural environment. Key personal qualities are first class administration and communication skills, the experience and maturity to help establish a new operation and willingness to adopt a practical hands on approach. Age will not be a limiting factor and the position could suit a mature candidate looking for a long term career move.

Please write, in confidence, enclosing full career and salary details as well as day and home telephone numbers, to Diana Westlake at the address below, quoting reference T6666.

**KPMG Selection & Search**  
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# Financial Accountant

**£22,268**

*SCF's income is approximately £50m per year, raised through 150 shops, 800 branches of volunteers, the corporate sector, government and a trading and record company. These funds are used in over 50 countries including the UK on long term projects as well as major emergency relief programmes.*

*We need a qualified and experienced Financial Accountant to take responsibility for the production of our statutory accounts and the development of procedures in line with the introduction of a new computer system. You will also be responsible for the training and supervision of 8 accounts staff.*

*Extensive experience in computer accounting systems and staff management is required, also a flexibility in approach to enable successful interaction with both professionals and volunteers.*

*For further details and an application form please write to the Recruitment Section,*

*SCF, 17 Grove Lane,*

*London SE5 8RN.*

*Closing date: 10th May 1991.*

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Can you bring your broadly based management accounting experience into a professional practice environment and enhance its ability to operate the commercial disciplines as an international business?

Do you have the strength and flexibility of personality to deal with professional and support personnel at all levels in a demanding "hands-on" results orientated position?

Our client is a leading international law firm based in the City. This new appointment will report to the Financial Controller and in addition to the day-to-day management of a staff of 8, will be concerned with the further development of accounting and financial management systems, procedures and reporting.

The successful candidate will be a qualified accountant (CIMA or other) probably aged 30 to 40 with broadly based computer experience including excellent spreadsheet skills.

Please send in strict confidence a comprehensive CV including details of current remuneration and day time telephone number, or telephone Peter Willingham, Managing Director, for a discussion, quoting ref. number 204.

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## Excellent Career Development Opportunity GROUP REPORTING MANAGER

Our client is a major international group and a global leader in premium branded consumer products. In marked contrast to general trends, this organisation continues to generate substantial profit growth (over 20% in 1990) with cash flow to reflect its success to date. Places like executive position, both in financial and operational terms to maintain and improve upon its pre-eminent position.

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- review of budgets and strategic plans

If you would like to discuss the above further, please contact Shirley Knight BA, MBA, ACMA on 071-491 3431 or write to her at FMS, 14 Cork Street, London W1X 1PF, enclosing a recent CV and note of current salary.

## FINANCIAL ACCOUNTANT

LONDON

c £35,000 + CAR  
+ benefits

The duties will include Production, review and Presentation of Statutory accounts - Financial Analysis and particularly involvement in Systems enhancement and development.

The Accountant will supervise a dedicated team of specialists - incorporating Credit Control, Banking, Cashiering, Invoicing, Wages/Salaries, Accounts Payable and Purchase Ledger.

Candidates should have particular skills in Spreadsheet reporting and the ability to develop a close liaison with other Managers and Non Accounting specialists in the Company. The preferred age is 25-35.

Applicants with previous experience in the Foods, Catering, Hotels, Brewing or Leisure industries may particularly find this opportunity appealing.

Interested? Please Fax or send your C.V. to:  
ARTHUR FLITTER - Adviser to the Company.

*Beaumont  
Accountancy  
Recruitment*

Beaumont House,  
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STAINES, Middx.  
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0784 462131 (24 hours)  
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Our UK client is a major subsidiary of a successful Plc Group employing over 1,500 people. Group sales are running in excess of £175 million and the company has a strong position in its very competitive market where margins are tight and close financial control of the business is critical.

## Financial Controller

- a high calibre financial manager with commercial business skills

circa £40,000 + car

Kent

This appointment will provide a total management and financial accounting support function to a major subsidiary business with a turnover in excess of £80 million playing a key role in effectively integrating all accounting activities on site. Commercial awareness, strong technical accountancy skills and the ability to contribute to systems development will be essential candidate qualities but real success in this appointment will reflect the determination and ability of the person appointed to effectively monitor and control sales, cost of sales, margin, overheads, profit and bottom line performance.

A hands-on approach is essential and we need a strong person who will contribute meaningfully to the management of the business and be decisive, rather than an accountant who sits on the fence. The business moves fast and candidates aged around 32-40, should be qualified and have a background of experience in a commercial or manufacturing environment where cost control has been a major business consideration.

## Young Qualified Accountant

- a bright commercial accountant with high level potential

£28-30,000 + car

Kent

This is an opportunity for a young qualified accountant to take on full management and accounting responsibility for a business unit with a turnover of around £10 million. Candidates must possess good technical accounting skills and be computer literate but we are not looking for a theorist. The person appointed must have a determined streak to put pressure on all internal areas of the business and to deliver sound financial control information to operational management. Experience in the transport or distribution business would be a particular advantage.

We need to move fast on these appointments. Brief, but comprehensive, career details by post or fax in absolute confidence to Gerry Cassell, New Appointments Group, The NRG Business Centre, Bell House, Bell Road, Sittingbourne, Kent, ME9 4DR. Tel: (0708) 424387. Fax: (0708) 428546.

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## DUBAI PORT AUTHORITY FINANCE DIRECTOR

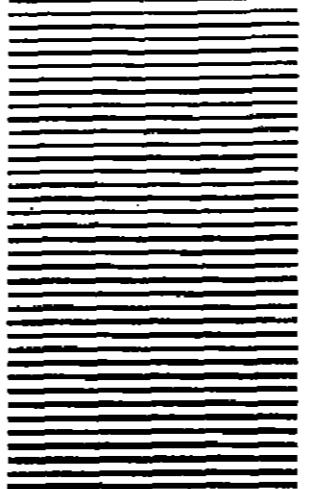
The combining of the two major ports in Dubai into a single administrative entity has resulted in the establishment of a new appointment of Dubai Port Authority Finance Director.

The Finance Director will report directly to the Managing Director on all matters of finance and will create and control the Authority's financial policy under established guidelines.

This senior post requires an experienced person with an established international record of major financial management. A knowledge of marine and port management, Arabic and previous overseas experience would be considered an advantage. Salary is negotiable. Usual expatriate benefits including accommodation, medical, car and gratuity are available.

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We are looking for a very capable Chartered Accountant to play a key role as part of a small Group head office finance team. The position involves gaining a thorough understanding of the Group's businesses, analytical review of their results, undertaking ad hoc special projects and assisting in the preparation of Group board reports, consolidations and budgets. The individual should be commercially aware, enthusiastic, with strong technical and communication skills, and preferably with 1-3 years post qualification experience in industry. Career opportunities within the Group are excellent.

If you consider you are appropriately qualified and are less than 36 years of age, please write enclosing a detailed C.V. (including salary) to:

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Practical experience of computerised systems is essential and knowledge of wholesale environments is an advantage. You have to be a qualified accountant with at least two years of management experience in a commercial environment. You should be capable of working in a dynamic and demanding business where organisational skills, strength of character and good time management are essential. The ability to work with staff, customers and financers is very important.

Exciting opportunities exist in contributing to the continuing growth and development of the Group, and full Board status could be achieved within 12 months.

Interested in this opportunity? Please reply in writing together with your full CV to:

Miss Ursula Grimm,  
Appropriate Technology plc,  
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South Bank Business Centre,  
Ponton Road, SW8 5AT

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